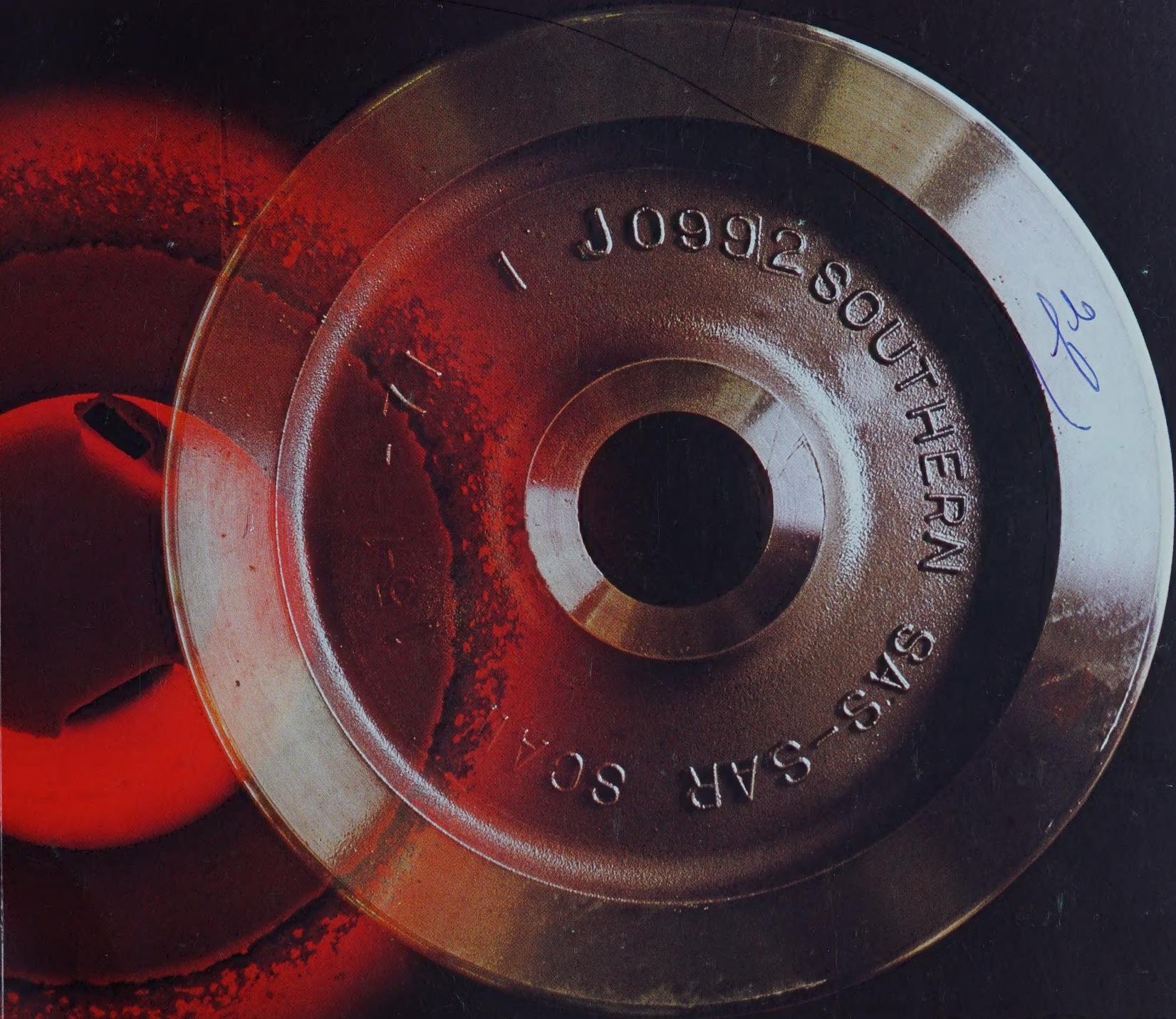


ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

AR53



Annual Report  
**1970**

**Notice to members 2****Directorate 3****Administration 4****Introduction 5****The year in brief 7****Report of the directors**

- Comments on the accounts 10
- Finance and investment 11
- Gold and uranium 16
- Diamonds 18
- Copper and other mining 20
- Coal 26
- Industry and commerce 27
- Property 34
- Prospecting 37
- General 39

**Accounts**

- Auditors' report 42
- Features of the consolidated accounts 43
- Consolidated balance sheet 44
- Consolidated profit and loss account 46
- Profit and loss account 47
- Balance sheet 48
- Notes on the accounts 50
- Financial statistics 52

**Profile of the Group**

- Structure of the Group 54
- Interests of the Group 56
- Finance and investment 60
- Gold, Orange Free State 67
- Gold, Far West Rand and Klerksdorp 69
- Gold, Rand and Kinross 72
- Diamonds 74
- Copper and other mining 76
- Coal 79
- Industrial and commercial 81
- Property 86

# 54th

## Annual Report

**ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED**

*Incorporated in the Republic of South Africa*

**HEAD OFFICE**

44 Main Street, Johannesburg  
(P.O. Box 61587 Marshalltown, Transvaal)

**TRANSFER SECRETARIES**

Consolidated Share Registrars Limited  
62 Marshall Street  
Johannesburg  
(P.O. Box 61051  
Marshalltown  
Transvaal), and  
Charter Consolidated Limited  
Kent House  
Station Road  
Ashford  
Kent, England

Principal Group offices in other  
countries are detailed on page 4

## **NOTICE TO MEMBERS**

Notice is hereby given that the fifty-fourth annual general meeting of members of Anglo American Corporation of South Africa Limited will be held at 44 Main Street, Johannesburg, on Friday, 18th June 1971, at 11 a.m., for the following business:

- 1** To receive and consider the balance sheet at 31st December 1970 and the accounts and the reports of the directors and of the auditors for the year ended on that date.
- 2** To elect directors in accordance with the provisions of the Corporation's articles of association.
- 3** To fix the remuneration of the auditors for the past audit.

The head office and United Kingdom transfer registers and the registers of members of the Corporation will be closed from 12th June to 18th June 1971, both days inclusive.

Holders of share warrants to bearer who are desirous of attending in person or by proxy or of voting at any general meeting of the Corporation must comply with the regulations of the Corporation under which share warrants to bearer are issued.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and speak and vote in his stead. A proxy need not be a member of the Corporation.

By order of the board  
J. T. GOLDFINCH  
Managing Secretary

25th May 1971  
*Registered Office*  
44 Main Street  
Johannesburg

## DIRECTORATE

### CHAIRMAN

H. F. Oppenheimer

### JOINT DEPUTY CHAIRMEN

Sir Keith Acutt, K.B.E. (British)  
W. D. Wilson

### DIRECTORS

D. O. Beckingham  
F. S. Berning  
E. T. S. Brown  
Sir Frederick Crawford, G.C.M.G., O.B.E. (British)  
G. C. Fletcher, M.C.  
W. S. Gallagher  
M. B. Hofmeyr  
Sir Philip Oppenheimer (British)  
G. W. H. Relly  
Sir Albert Robinson (British)  
M. W. Rush  
J. W. Shilling  
S. Spiro, M.C.  
J. Ogilvie Thompson  
G. H. Waddell (British)  
D. A. B. Watson

### ALTERNATE DIRECTORS

G. A. Carey-Smith (British)  
C. Carrington (British)  
H. K. Davies  
Dr H. B. Dyer  
D. A. Etheredge, O.B.E. (British)  
H. R. Fraser (British)  
C. J. L. Griffith  
W. J. Héfer  
D. B. Hoffe  
N. K. Kinkead-Weekes (British)  
E. S. Newson, O.B.E. (British)  
D. G. Nicholson (British)  
M. C. O'Dowd  
B. W. Pain (British)  
A. Wilson

## ADMINISTRATION

### EXECUTIVE COMMITTEE OF THE BOARD

H. F. Oppenheimer  
Sir Keith Acutt  
D. O. Beckingham  
G. C. Fletcher  
G. W. H. Relly  
Sir Albert Robinson  
M. W. Rush  
S. Spiro  
J. Ogilvie Thompson  
G. H. Waddell  
D. A. B. Watson  
W. D. Wilson

### MANAGERS

F. S. Berning  
G. A. Carey-Smith  
C. Carrington  
H. K. Davies  
Dr Z. J. de Beer  
Dr H. B. Dyer  
D. A. Etheredge  
H. R. Fraser  
C. J. L. Griffith  
E. P. Gush  
W. J. Héfer  
D. B. Hoffe  
M. B. Hofmeyr  
F. J. A. Howard  
A. Johnstone  
N. K. Kinkead-Weekes  
A. B. McKerron  
C. D. M. Melville  
D. G. Nicholson  
M. C. O'Dowd  
B. W. Pain  
J. W. Shilling  
A. Wilson

### MANAGING SECRETARY

J. T. Goldfinch

### TREASURER

A. W. Mollatt

### ECONOMIC CONSULTANT

A. B. Dickman

### MEDICAL CONSULTANT

Dr J. L. C. Whitcombe

### PERSONNEL CONSULTANT

E. N. Cathrine

### PROSPECTING SERVICES CONSULTANT

B. T. A. Hone

### PUBLIC RELATIONS CONSULTANT

B. R. Mortimer

### TECHNICAL DIRECTOR

W. S. Gallagher

### CONSULTING ENGINEERS

A. I. Beck  
T. A. J. Braithwaite  
R. Daniel  
S. F. Gandar  
G. S. Giles  
V. W. Hall  
S. A. Hancox  
K. C. G. Heath  
J. D. Johnson  
W. R. Lawrie  
D. E. MacIver  
A. R. McLeod  
J. B. Mudd  
R. A. Mudd  
T. L. Pretorius  
H. Smith  
M. W. Stephenson  
H. J. Stucke  
P. M. C. Wilson

### CONSULTING DEVELOPMENT ENGINEER

I. F. Cairns

### CHIEF CONSULTING MECHANICAL AND ELECTRICAL ENGINEER

A. H. Gyngell

### CONSULTING MECHANICAL AND ELECTRICAL ENGINEERS

A. W. D. Darvall  
S. D. Dickens  
S. Dwolatsky  
D. H. Hillhouse  
C. P. A. Louwrens  
K. N. Love  
J. C. Martens  
A. G. V. Pearce  
D. W. Wantenaar  
C. S. West  
G. H. R. Wingate

### CONSULTING GEOLOGISTS

Dr D. M. McKinnon  
Dr L. G. Murray  
Dr H. J. Nel  
Dr J. F. Osten  
Dr P. J. Pienaar  
Dr H. C. M. Whiteside

### CHIEF CONSULTING METALLURGIST

E. T. Pinkney

### DIRECTOR OF RESEARCH

Dr M. G. M. Atmore

### CONSULTING METALLURGISTS

I. R. M. Chaston  
N. Gibson  
A. L. Guise-Brown  
J. A. Holmes  
E. Page  
W. T. Ruhmer  
J. F. Slabbert  
D. J. Tutt

### CONSULTING CIVIL ENGINEER

D. W. Standish-White

### PRINCIPAL OFFICES

**Head Office**  
44 Main Street, Johannesburg

**Australia**  
Anglo American Corporation (Australia) Limited  
60 Market Street, Melbourne  
Secretary: B. McVicker

**Canada**  
Anglo American Corporation of Canada Limited  
Toronto-Dominion Centre, Toronto  
Secretary: T. P. Sullivan

**Rhodesia**  
70 Jameson Avenue Central, Salisbury C.4  
Managing Secretary for Rhodesia: I. M. Cowan

**United Kingdom**  
40 Holborn Viaduct, London, England EC1P 1AJ  
Joint London Secretaries: D. S. Booth and J. R. Byles

**United States of America**  
Anglo American Corporation of the United States Inc.  
280 Park Avenue, New York, N.Y. 10017  
Secretary: R. A. Pilkington

**Zambia**  
Anglo American Corporation (Central Africa) Limited  
74 Independence Avenue, Lusaka  
Secretary: R. V. C. Asherwood

Anglo American Corporation has grown from a comparatively small mining house, initially concerned with the development of gold mines on the East Rand, into a large international group of mining, industrial and investment companies.

The term 'group' has a wider meaning in the South African mining industry than its statutory definition of a parent company and its subsidiaries. The mining finance houses in South Africa have over a long period developed what is called the 'group system', by which the parent house not only plays a role in management, but also provides a complete range of administrative, technical and other services to the companies within the group. Thus the Anglo American Corporation Group comprises a large number of companies whose administration and management are closely linked to the Corporation, but in which its direct and indirect shareholdings, though substantial, are generally less than 50 per cent. In addition the Corporation is closely associated with De Beers Consolidated Mines and with Charter Consolidated, London, and provides technical services to both these groups.

The Corporation's investments are held mainly through a number of investment companies with special fields of interest: Orange Free State Investment Trust and West Rand Investment Trust for the gold mining companies in those areas; Anglo American Investment Trust for the diamond mining and marketing companies; Anglo American Industrial Corporation for the majority of the industrial and commercial holdings of the Group; and, on a geographical basis, Zambian Anglo American, Anglo American Corporation Rhodesia, Anglo American Corporation of Canada, Anglo American Corporation of the United States and, also in America, Engelhard Hanovia Inc.

Coal interests are held chiefly through African and European Investment Company and Vereeniging Estates, while Rand Selection Corporation, with which the Corporation has been closely associated since its formation, holds a diversified spread of investments similar to those of Anglo American Corporation itself.

The philosophy underlying the Corporation's activities has remained basically unchanged throughout its existence. There have been only two chairmen, Sir Ernest Oppenheimer, who was Chairman from the formation of the Corporation until his death forty years later in 1957, and his son, Mr H. F. Oppenheimer. From the start it was the policy of the Corporation to contribute constructively to the development of Southern Africa. In the first 10 years of its existence, it extended its interests into diamonds in South West Africa and South Africa, and into copper, lead and zinc in Northern Rhodesia. Sir Ernest defined the aim of the Corporation as being to make profits for its shareholders but to do so in such a way as to make a real contribution to the welfare of the countries where it operates. The present Chairman has stated that this remains our policy. 'We bring to our task', added Mr Oppenheimer, 'long and wide experience in many parts of Africa and great goodwill and faith, not only in the material but also in the human potential of the continent'.

Our roots are firmly planted in South Africa where we began; our chief interests are still in Southern and Central Africa and are continuing to grow there, both in mining and in a wide range of industries. But as communications reduce the size of the world we are also applying our resources internationally in the fields in which we have built up experience over many years. Through our association with Charter Consolidated we are now interested in mining

enterprises in many parts of the world, and in a number of industrial activities, chiefly in the United Kingdom. Through Anglo American Corporation of Canada we are interested in the Hudson Bay Mining and Smelting Co., a leading Canadian producer of copper and zinc which has also diversified into oil and industry, and in other Canadian ventures. Through our association with the Banque de Paris et des Pays-Bas we have acquired important interests in France.

We are now involved directly or indirectly in geological exploration across the world. Southern and Central Africa are the main areas of activity, but with associated companies we are engaged in widespread prospecting elsewhere in Africa and in North and South America, Europe, Australia and the Far East.

The Corporation's original capital in 1917 was £1 million, which was raised from British, American and South African sources; the present capital and reserves exceed R276 million. The investments of the Corporation at the end of 1970 were valued at R689 million, and the estimated value of the mining and industrial companies that are members of the Anglo American Corporation Group was about R1 750 million.

In 1970 Group mines were responsible for 40 per cent of South Africa's gold production, equivalent to 31 per cent of world production (excluding communist countries), 30 per cent of South Africa's coal and about one-third of its output of uranium. In Zambia the mines managed by the Group produced 58 per cent of that country's copper, equivalent to six per cent of world production.

The ownership of Anglo American Corporation is widely spread, with shareholders in every continent. More than half the share capital is held in South Africa; the United Kingdom and other European countries accounting for about 42 per cent.



*The highest purity gold for commercial use (99.99 per cent pure) is now produced electrolytically at the Rand Refinery, Johannesburg; it is widely used in the electronics industry and in special alloys requiring ultra-pure gold*

## The year in brief

### PROFIT AND DIVIDEND

The consolidated profit after tax of Anglo American Corporation increased by R2 468 000, or 6.76 per cent, to R38 978 000, equivalent to 29.8 cents a share, and the dividend paid on the ordinary shares was maintained at 16 cents a share. Consolidated investment income increased by R5 334 000, or 15.7 per cent, to R39 213 000.

### INVESTMENTS

The value of the Corporation's investments, excluding the investment in subsidiary companies not consolidated, decreased by R129 528 000, or 15.8 per cent, to R688 610 000, reflecting the continued fall in market prices during 1970. An analysis by primary source of the Corporation's direct investments and the underlying investments of the holding companies in which it is interested is given in the table opposite. The main changes in the percentages are attributable to the above-average decline in the market value of diamond investments, and to the high income from copper.

The Corporation and its associated finance companies had interests valued at over R700 million in the mining and industrial companies that the Corporation administers, and in addition their interests in companies administered outside the Group, including De Beers Consolidated Mines Limited and Charter Consolidated Limited, were valued at slightly less than R1 000 million. The overall value of the interests of the Corporation and its associated finance companies at the end of 1970 was therefore about R1 700 million.

The total valuation of the mining and industrial companies administered by the Corporation was about R1 750 million (of which more than R700 million was internally owned). This figure, when added to the interest of nearly R1 000 million that the Corporation and its associated finance companies had in companies outside the Group, gives an overall total of R2 700 million as the size of the Anglo American Corporation Group.

### GOLD

Production by Group mines fell slightly by 2 350 kilograms to 395 619 kilograms, which was 40 per cent of South African production and 31 per cent of world production (excluding communist countries). Working profit from gold was R18.9 million lower at R154.8 million, mainly because of the sharp drop from R23 million to R10.5 million in income from premium sales. Dividend payments by Group mines, however, declined by only R22 000 to R71 531 000.

Proposals were announced which in effect would enlarge the South Lease area of Vaal Reefs and merge West-

	VALUE OF INVESTMENTS*		INCOME FROM INVESTMENTS	
	1970	1969	1970	1969
Total	R688 610 000 (1969: R818 138 000)		Total R39 213 000 (1969: R33 879 000)	
Percentage			Percentage	
Gold . . . . .	24	21	28	32
Diamonds . . . . .	25	32	18	22
Platinum . . . . .	1	1	2	1
Copper . . . . .	7	7	22	15
Coal . . . . .	3	2	4	4
Other Mining . . . . .	7	6	8	4
Industrial . . . . .	22	21	10	12
Finance . . . . .	8	8	7	9
Property . . . . .	3	2	1	1
	100	100	100	100

\* Includes unquoted investments at book value

ern Reefs into that company by an exchange of shares. The approval of the State and of shareholders is being sought for the scheme, which would make the new Vaal Reefs the biggest gold mining operation in the world.

An important technical development at Vaal Reefs was the successful pumping of gold-bearing quartzite fines in sludge from 2 200 metres underground to the treatment plant on surface.

### URANIUM

The Group produced 1 178 metric tons of uranium oxide, compared with 1 250 metric tons in 1969, and working profit from uranium and acid fell by R500 000 to R6.0 million.

Production at Western Deep Levels started in January 1970. The plants at Vaal Reefs and Western Reefs were converted to the solvent extraction process, which has improved the quality of the product and reduced costs.

### DIAMONDS

Sales of gem and industrial diamonds through the Central Selling Organisation totalled R378.4 million, which was 23.5 per cent below the 1969 record of R494.6 million. The market is now showing signs of improvement, and sales in the first half of 1971 are expected to be nearly 15 per cent higher than in the second half of 1970.

The output of De Beers Consolidated Mines rose by 288 971 carats to 4 752 971 carats, an improved grade at

*At the Group's new Arnot Colliery in the eastern Transvaal: facing Mr Oppenheimer is the mine manager, Mr P. D. Dickson, on the left is Mr F. S. Berning, a director of the Corporation and head of its coal division, and behind him the mine secretary, Mr. F. F. Deysel. Under construction in the background is the large ESCOM power station to which Arnot will supply 5.5 million tons of coal a year*

Finsch mine more than offsetting a fall in production from Namaqualand.

The open pit mine at Orapa in central Botswana is due to come into full production shortly.

#### **COPPER AND OTHER MINING**

Production of finished copper by Nchanga Consolidated Copper Mines Limited—in which the Zambian government and Zambia Copper Investments Limited hold 51 per cent and 49 per cent respectively—rose by 2 825 metric tons to 395 511 tons. The value of sales declined by K113.2 million to K365.3 million, mainly because of the fall in copper prices on the London Metal Exchange.

Zambia Broken Hill produced a record 81 022 metric tons of lead and zinc. Proposals to enable the Zambian government to acquire a 51 per cent interest in the company were announced in February 1971, and if approved by shareholders will become effective retrospectively from 1st January.

The net profit of the Rhodesian Nickel Corporation in the year to 31st March 1970 increased by R\$2.77 million to R\$3.1 million.

Production of copper concentrates by Société Minière de Mauritanie at Akjoujt was delayed by late delivery of important items of equipment and difficulties in commissioning the plant.

In November 1970 Hudson Bay Mining brought two new base-metal mines into production in northern Manitoba, and in September 1970 the Sylvite of Canada division of Hudson Bay brought its new potash mine and refinery into production.

#### **COAL**

The sales output of Group collieries in South Africa increased by 1 140 000 metric tons to 15 980 000 metric tons, representing 30 per cent of South African output.

In March 1971 the Transvaal Coal Owners Association concluded a R250 million contract for the sale to Japan of 27.8 million metric tons of metallurgical coal, for delivery over 14 years starting in 1972. Two Group collieries will supply some 10 million tons under this contract.

Sales of coal by Wankie Colliery, Rhodesia, were 88 000 metric tons higher at 3 171 000 tons in the year to 31st August. Coke sales rose by 3 000 tons to a record 225 000 tons.

#### **INDUSTRY AND COMMERCE**

Highveld Steel and Vanadium Corporation made its first profit in June 1970 and earned an unaudited net profit of R1 881 000 in the second half of the year.

Construction of the Mondi Paper Company's mill at Merebank, Durban, is on schedule and paper-making is expected to start in the middle of 1971.

In Mozambique a second factory for processing cashew nuts has been brought into operation by Industrias de Caju Antenes S.A.R.L., in which the Anglo American Corporation Group has a controlling interest.

#### **PROPERTY**

Anglo American Properties Limited (AMAPROP) was formed in November 1970, with tangible net assets valued at R52 million, by a merger of Anglo American Property Investments Limited and City Developments Limited. To repay certain loans and finance property developments and new business, AMAPROP then raised R15 million by issuing 10 per cent first mortgage debentures 1983/1998. The issue was over subscribed.

The total cost of projects planned or being undertaken by companies administered by the Corporation exceeds R200 million.

#### **INVESTMENT COMPANIES**

In January 1971, to repay short-term loans from Anglo American and to fund future investments, Rand Selection Corporation raised R30 million by the issue at par of 10 per cent unsecured debentures 1983/1997 of R1 each. In February Rand Selection raised U.S. \$30 million by means of a 15-year convertible Eurodollar loan at 6½ per cent. The proceeds will largely be used to repay a U.S. \$25 million loan that matures on 14th June 1971. To provide shares for the conversion rights the company's authorised capital was increased by one million shares to 36 million shares of 50 cents. In October 1970 the agreement whereby Rand Selection has the right to participate to the extent of one-third in the new business of Anglo American, after other participations have been laid off, was renewed for a further ten years.

Consolidated net profit attributable to Anglo American Industrial Corporation (AMIC) for the 18 months to 31st December 1970 was R15.4 million compared with R6.5 million for the 12 months to 30th June 1969. AMIC's year end was changed following the acquisition of a 100 per cent interest in Boart and Hard Metal Products S.A. Limited in 1969. Earnings per ordinary share amounted to 87.0 cents on the capital as increased by the 4 070 056 shares issued to the outside shareholders in Boart, or to 75.5 cents a share if the deferred shares, which rank for dividends from 1st November 1971, are included. Dividends totalling 50 cents a share were paid for the 18 months' period to 31st December 1970.

## Report of the directors



## Comments on the accounts

### *Investment income increases by 15.7 per cent*

The comments that follow relate to the consolidated balance sheet and the consolidated profit and loss account of the Corporation which appear on pages 44 to 46 of this report.

**CAPITAL** The authorised and issued capital remained unchanged during the year at R20 000 000 and R17 741 000 respectively. Of the 378 500 ordinary shares under option to senior members of the staff at 31st December 1969, options in respect of 34 000 ordinary shares lapsed during the year. No further options were granted during the year, nor were any options exercised. At 31st December 1970, therefore, there were 344 500 shares under option out of the total of 1 500 000 ordinary shares which were placed at the disposal of the directors for this purpose in 1969. No options have been exercised up to the date of this report.

**MINORITY INTEREST IN SUBSIDIARY COMPANIES** The minority interest in subsidiary companies increased by R15 443 000, principally because of a further enlargement of Rhochars Holdings Limited, which holds the interests of Anglo American Corporation Group companies in Charter Consolidated Limited.

**INVESTMENTS—BASIS OF VALUATION** For many years it has been the practice of the Corporation and, with only minor exceptions, its subsidiary finance companies to write down to market price ruling on 31st December each year every quoted investment where the book value exceeds the market price on that day.

The objection to the present system is that it arbitrarily applies only one rigid test—market price on the last day of the company's financial year compared with the book value—and takes account of neither the nature or purpose of the holding nor of any potential improvement in market price in future years. As this method is completely inflexible, it often results in the permanent writing down of investments where such action is clearly unrealistic.

It is therefore intended to modify the present practice so as to eliminate in future the disadvantage referred to above. In pursuance of this objective, from the 1971 financial year onwards, the book value of individual quoted and unquoted investments will not be written down as in the past, but an aggregate amount necessary to provide for the depreciation of investments will be credited to a 'provision for depreciation of investments' account. In the determination of the value of individual investments, quoted and unquoted, market prices and

directors' valuations respectively will continue to play a primary role, but the discretion of directors will, where appropriate, be used to obviate unnecessary writings-down. Similar determinations will be made at the end of each subsequent financial year when any necessary adjustments will be effected to the provision account.

The new procedure will constitute a change in the basis of accounting and, in terms of Companies Act requirements, any respects in which any items shown in the profit and loss account for 1971 are affected by it will, if material, be disclosed in the annual report for that year.

**INVESTMENT IN SUBSIDIARY COMPANIES NOT CONSOLIDATED** A major reorganisation of the companies which comprise the Engelhard Hanovia group, in which the Anglo American Corporation Group and its associates have an interest of just over 70 per cent, was initiated during the year. The objective is to put Engelhard Hanovia into a position where it will be able to take advantage of suitable new business opportunities as they occur and at the same time retain its present interest in Engelhard Minerals and Chemical Corporation (EMC), which will remain its predominant asset.

Significant progress has already been made, particularly in regard to the liquidation of the foreign subsidiaries of Engelhard Hanovia, the majority of which were in countries where the Group and its associates are already represented. It was not, however, possible to complete this redisposition by the end of the year. Consequently, the accounts of the Engelhard Hanovia group have again not been consolidated with the Corporation's accounts, as in the opinion of the directors the result would have been misleading.

Inside America the realisation for cash of the investment portfolio and certain non-strategic assets of Engelhard Hanovia has almost been completed. Engelhard Hanovia's operating profit for the year was substantially reduced, both by the losses incurred by its lamp division at Newark and by the increased interest charges which arose from the necessity to arrange temporary additional finance to purchase certain additional shares in EMC as part of the agreement in December 1969. As a result, Engelhard Hanovia's profit for the year was not material. The lamp division at Newark has now been sold and the financial position of Engelhard Hanovia has already been substantially improved.

It is anticipated that both the foreign and domestic reorganisation will be completed during 1971.

Engelhard Hanovia continues to hold approximately 44 per cent of the common stock of EMC, a company quoted on the New York Stock Exchange. The principal activities of EMC are the refining, fabricating and marketing of precious metals; the marketing of ferrous and non-ferrous ores, metals and minerals;

and the mining, processing and distribution of non-metallic minerals. The earnings of EMC in 1970 were U.S. \$36.3 million or \$1.30 a common share, compared with \$34.7 million or \$1.25 a common share in 1969. The dividend was maintained at 40 cents a share.

**PROFITS AND APPROPRIATIONS** The consolidated net profit for the year increased by R2 468 000, or 6.76 per cent, to R38 978 000. Income from investments was substantially higher, amounting to R39 213 000. In the three years 1968 to 1970 income from this source has risen by R1 622 000, R3 629 000 and R5 334 000 respectively. Net income from interest, fees and other sources amounted to R25 991 000, and after deducting interest paid of R12 061 000 showed a net increase of R2 429 000. Due to the continued fall in market prices there was an excess of amounts written off investments over surplus on realisation of investments of R1 388 000, whereas in 1969 there was a surplus on realisation of investments less amounts written off investments of R1 878 000. On the expenditure side, outlay on office, research and transport equipment decreased by R214 000 to R802 000, prospecting costs were R1 145 000 higher at R5 440 000, and it was necessary to provide R679 000 more this year for taxation. Profit attributable to minority interests in subsidiary companies rose by R844 000 to R1 803 000, owing principally to the enlargement of Rhocar Holdings Limited, which took place in the first half of 1970.

The profit for the year was dealt with as follows:

Profit for the year . . . . .	R38 978 000
<i>Dividends on preferred stock:</i>	
No. 82 of three per cent, declared 8th June 1970 . . . . .	R143 000
No. 83 of three per cent, declared 10th December 1970 . . . . .	143 000
<i>Dividends on ordinary shares:</i>	
Interim No. 68 of 5 cents per share, declared 24th September 1970 (1969: 5 cents) . . . . .	6 491 000
Final No. 69 of 11 cents per share, declared 25th March 1971 (1969: 11 cents) . . . . .	14 280 000
Transferred to general reserve . . . . .	21 057 000
	15 000 000
	36 057 000
	2 921 000
	2 969 000
Unappropriated profit brought forward from previous year . . . . .	R5 890 000
Unappropriated profit 31st December 1970	

**FINANCIAL STATISTICS** for the ten years 1961 to 1970 appear on page 52.

## Finance and investment

### Major fund raising by Rand Selection

The estimated value of the mining and industrial companies administered by the Corporation was approximately R1 750 million at the end of 1970. The interests of the Corporation and its associated finance companies—listed in the table overleaf—in this total of R1 750 million amounted to more than R700 million, while their interests in other finance, investment and operating companies administered outside the Group, including De Beers Consolidated Mines Limited and Charter Consolidated Limited, were valued at almost R1 000 million. The overall value of the interests of the Corporation and its associated finance companies, therefore, was approximately R1 700 million. The figures are not comparable with those of previous years because for the first time Engelhard Hanovia Inc. has been included among the companies administered by the Group.

The consolidated net profit attributable to Rand Selection Corporation Limited for the year to 30th September 1970 increased by R430 000 to R21 540 000, or 63.3 cents a share from 62.0 cents a share in 1969. The dividend was maintained at 42.5 cents a share. The major part of Rand Selection's investments is in companies that do not distribute their profits in full and if Rand Selection's share of undistributed profits from these companies, after allowing for cross-holdings, had been included, the total equity earnings a share would have been about 125 cents, compared with approximately 116 cents in 1969. The value of the investments of Rand Selection and its subsidiaries, taking quoted investments at market value (including the market value of the underlying Charter shares held by Rhocar Holdings Limited) and unquoted investments other than Rhocar at book cost, fell by R130 million to R509 million in the year to 30th September 1970. The book cost of investments increased by R13 million to R215 million largely as a result of the agreement between Rand Selection, Anglo American Corporation, Charter and Johannesburg Consolidated Investment Company Limited (JCI) which is referred to in the following paragraph.

During the year, an agreement between Rand Selection, Anglo American Corporation, Charter and JCI resulted in Rand Selection receiving new Charter shares in exchange for a portfolio of investments acquired from JCI which in turn received shares in certain of the quoted holding companies of Rustenburg Platinum Mines Limited.

Rand Selection raised R30 million in January 1971 by the issue at par of 10 per cent unsecured debentures 1983/97 of R1 each. These funds were raised to repay short-term loans from Anglo American and to fund future investments. In February 1971,

**Net asset values, profits, earnings and dividends of the major Group finance companies**

	Financial year ended 1970	Net asset value based on consolidated balance sheet*		Consolidated profit after tax and minority interests		Equity earnings per ordinary share		Dividends per ordinary share	
		1970 R million	1969 R million	1970 R million	1969 R million	1970 cents	1969 cents	1970 cents	1969 cents
American Corporation . . . . .	31st December	657.4	790.3	39.0	36.5	29.8	27.9	16.0	16.0
American Corporation of Canada.	31st December	C\$84.8	C\$114.6	C\$0.9	C\$5.2	10.8	61.6	40.0	40.0
American Industrial Corporation .	31st December §	158.7	135.2	15.4	6.5	87.0**	47.7**	50.0	32.5
American Investment Trust . . .	31st December	362.3	441.9	15.1	16.3	147.6	160.0	145.0	145.0
Anglo State Investment Trust . . .	31st December	129.4	117.8	12.0	11.7	109.9	107.4	77.5	75.0
Anglo Selection Corporation . . . .	30th September	439.9	591.6	21.5	21.1	63.3	62.0	42.5	42.5
Anglo Estates . . . . .	31st December	47.3	44.9	5.5	4.5	201.6	164.0	110.0	100.0
Anglo Investment Trust . . . . .	31st December	136.7	119.5	7.5	7.3	64.1	62.3	47.5	45.0
Anglo American . . . . .	25th June	£71.5†	£52.5†	£16.9†	£11.8†	55.8p	39.2p	31.5p	31.5p

\* Investments at market value at financial year end, unquoted at book cost  
\*\* Interim dividend

† Deferred shares. Including deferred shares equity earnings a share were:

2.5 cents for the 18 months ended 31st December 1970 and 39.8 cents for the 12 months ended 30th June 1969

§ From 1st July 1969 to 31st December 1970

In October 1970 ANAMINT raised U.S.\$30 million by a 15-year convertible loan at a rate of 6½ per cent. The loan is fully convertible on 1st January 1971 into Rand Selection shares at a price of R11.75 a share. The Eurodollar loan will be used to repay the U.S.\$25 million guaranteed unregistered debentures which fall due for repayment on 1st June 1971. To provide shares for the conversion rights the authorised capital of Rand Selection was increased in October 1971 to 36 000 000 shares of 50 cents each by the issue of 1 000 000 new shares.

On 2nd October 1970 the participation agreement between Rand Selection and Anglo American was renewed for a further period of 10 years. Under this agreement Rand Selection has the right to participate to the extent of one-third in the new business of Anglo American after the latter has laid off other participations.

The net profit of Anglo American Investment Trust Limited (ANAMINT) declined by R1.26 million to R15.06 million in the year ended 31st December 1970. The fall in profits was due to reduced interest received and lower dividends from the diamond trading companies. ANAMINT maintained its dividend at 145 cents a share. It was announced in September 1970 that ANAMINT would exchange its holding in The Diamond Corporation Limited (DICORP) for new shares in De Beers Consolidated Mines Limited. This transaction, together with purchases in the market, increased the investment in De Beers by 15 739 670

shares. The new shares received by ANAMINT did not qualify for the interim dividend paid by De Beers for the year ended 31st December 1970 but ANAMINT's income from DICORP was unchanged in 1970.

The equity earnings of West Rand Investment Trust Limited (WRIT) for the year ended 31st December 1970 increased by R204 000 to R7 060 000 and the dividend was raised by 2.5 cents a share to 47.5 cents a share. The increase in earnings was to a large extent attributable to increased dividend income from West Driefontein Gold Mining Company Limited and the receipt of a maiden dividend from Kloof Gold Mining Company Limited. The market value of WRIT's quoted investments increased by R18.2 million to R134.4 million at the end of 1970.

Orange Free State Investment Trust Limited (OFSIT) increased its earnings by R274 000 to R12 029 000 for the year ended 31st December 1970 mainly as a result of an increase of R255 000 in interest received. The dividend was raised by 2.5 cents a share to 77.5 cents a share. The market value of OFSIT's quoted investments increased by R8.9 million to R117.1 million.

Following the acquisition of a 100 per cent interest in Boart and Hard Metal Products S.A. Limited (Boart) in 1969 it was decided to change the year end of Anglo American Industrial Corporation Limited (AMIC) from 30th June to 31st December. The consolidated net profit attributable to AMIC for the 18 months to 31st December 1970 was R15.4 million compared with R6.5 million for the 12 months to 30th June 1969. In the

period ended 31st December 1970 a net capital profit of R2.3 million was made. This was almost entirely the result of the sale of the corporation's interest in African Metals Corporation Limited to Metkor Investments Limited. Investment income was R8.2 million and trading profits of subsidiaries were R27.6 million, reflecting good results from Scaw Metals Limited, a wholly-owned subsidiary, and the consolidation of Boart's figures.

Details of the main investments of AMIC appear in the section on Industry and Commerce on pages 27 to 34 of this report.

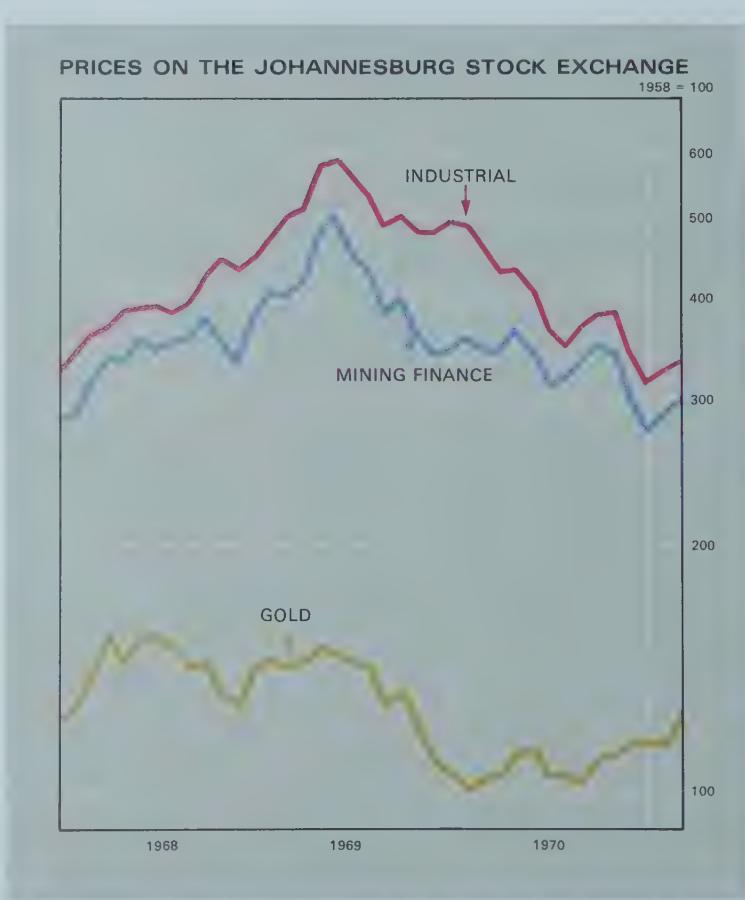
Consolidated profit of The Vereeniging Estates Limited was R5 544 000 in the year to 31st December 1970, an increase of R1 033 000 which was attributable mainly to profit on land sales. The dividend was raised by 10 cents a share to 110 cents a share. The company will participate both directly and indirectly through the coal producing companies in which it is interested in the development of the new Arnot/Kriel coalfields in the Transvaal and in the contract won by the Transvaal Coal Owners Association (1923) (Proprietary) Limited to supply 27.8 million metric tons of low-ash coal to Japan over a 14-year period. Vereeniging Refractories Limited, which is a subsidiary, increased its pre-tax profits from R3.58 million to R3.88 million and raised its dividend by one cent to 22 cents a share.

Reduced activity in the South African financial sphere was reflected in a decrease of R199 000 in the consolidated after-tax profit of Union Acceptances Holdings Limited (UAHL) to R1 658 000. The profit of UAHL's wholly-owned merchant bank subsidiary, Union Acceptances Limited (UAL), was largely unchanged as a high level of activity was achieved by the banking department. The drop in profits arose principally from the loss incurred by the mutual fund management company which was severely affected by the decline in prices on The Johannesburg Stock Exchange and the subsequent loss of confidence of the small investor in mutual funds.

First Union General Investment Trust Limited (FUGIT), a closed-end investment trust managed by UAL, increased its net profit for the year ended 30th June 1970 by R571 000 to R1.856 million. The market value of its investments at 31st December 1970 was R44.3 million. In February 1971 FUGIT was granted a quotation on The Stock Exchange, London.

The consolidated net profit attributable to the shareholders of Charter Consolidated Limited increased by £2.9 million or 28 per cent to £13 million in the year ended 31st March 1970 and the dividend was increased by 2d to 1s 6d (7.5p) a share. These results reflect an 11.7 per cent increase in investment income, higher profit on realisations of investments, increased interest received and Charter's proportion of the earnings of The Cape Asbestos Company Limited from 12th June 1969 (when that company became a subsidiary of Charter) to 31st December 1969. The market value of quoted investments

had fallen by £56 million to £274 million at 31st March 1970. This was the result of the general decline in stock exchange prices and to the reinvestment in unquoted securities of the proceeds of the unusually heavy disposal of portfolio securities earlier in the year. The book cost of Charter's investments at 31st March 1970 was £138.4 million, showing a decrease of £3.1 million over the year and reflecting the sales of investments made earlier to take advantage of an active market. Charter issued 5 770 976 new



shares to Rhocar in exchange for a portfolio of quoted United Kingdom investments and a holding in Selection Trust Limited (Seltrust) bringing its interest in Seltrust to 32.9 per cent.

Charter's net profit for the six months to 30th September 1970 increased by £900 000 to £7.97 million compared with the same period of the previous year. Profit on the realisation of investments was considerably reduced from the substantial figure of £4 028 000 in the period to 30th September 1969 when unusually buoyant conditions existed on world stock exchanges, but this was compensated for by the 29 per cent rise in investment



income, which was largely the result of the exceptional pattern of dividends from Zambian Anglo American Limited (ZAM-ANGLO).

During 1970, arrangements were completed for the Government of the Republic of Zambia, through the medium of Zambia Industrial and Mining Corporation Limited (ZIMCO), to acquire with effect from 1st January 1970 a 51 per cent interest in the copper mining undertakings in Zambia of the Anglo American Corporation and Roan Selection Trust (RST) groups. Under a Scheme of Arrangement which became effective on that date the mining undertakings of Rhokana Corporation Limited, Nchanga Consolidated Copper Mines (1937) Limited (formerly Nchanga Consolidated Copper Mines Limited) and Rhokana Copper Refineries Limited were merged with that of Bancroft Mines Limited, which thereupon changed its name to Nchanga Consolidated Copper Mines Limited (NCCM). NCCM was recapitalised and 51 per cent of its equity in the form of 62 877 900 'A' shares of K2 each was acquired by ZIMCO on behalf of the Government of Zambia in exchange for U.S.\$178 698 992 of 6 per cent loan stock 1982 issued by ZIMCO.

Following the approval and implementation of a similar Scheme of Arrangement for the merging of the copper producing companies of the RST group, the Government of Zambia acquired through ZIMCO a 51 per cent interest consisting of 15 460 684 'A' shares of K4 each in the consolidated company, Roan Consolidated Mines Limited (RCM), formerly Mufulira Copper Mines Limited. In exchange, ZIMCO issued U.S.\$117 810 000 of 6 per cent bonds 1978. RCM issued 14 854 382 'B' shares of K4 each in respect of the remaining 49 per cent interest of shareholders.

The remaining 49 per cent of the equity of NCCM, consisting of 60 412 100 'B' shares of K2 each, and the U.S.\$178 698 992 of ZIMCO 6 per cent loan stock 1982, together with those 'B' shares of RCM (representing 12.25 per cent of RCM's total issued capital) and the U.S.\$27 603 200 of ZIMCO 6 per cent bonds 1978, which would otherwise have accrued to the shareholders of Rhokana, were issued to Zambia Copper Investments Limited (ZCI), a new company registered in Bermuda. The non-mining assets held by Rhokana and Nchanga (1937), which were excluded from the Bancroft merger, were also vested in ZCI, together with Rhokana's proportion of similar non-mining assets held by the RST copper mining companies and excluded from the merger of the mining undertakings of those companies.

ZCI issued to the former shareholders in the Anglo American Corporation Group copper mining companies fully paid ZCI shares and 178 698 992 units of loan stock 1982 and 27 603 200 units of loan stock 1978, the nominal value of each unit being, upon issue, respectively equal to U.S.\$1. These loan stocks were issued on the same terms and conditions as those attached to the U.S.\$178 698 992 of ZIMCO loan stock 1982 and

U.S.\$27 603 200 of ZIMCO bonds 1978 which ZCI holds. ZCI recorded a profit after tax of £5 476 000 in the period 6th November 1969 to 30th June 1970. The estimated profit for the six months to 31st December 1970 was £7 264 000. Total dividends paid for the period 6th November 1969 to 31st December 1970 amounted to 10.4p a share which absorbed £12 351 000.

ZAMANGLO as the major shareholder in the Zambian copper mining companies of the Anglo American Corporation Group and as a shareholder in the copper mining companies of the RST group received shares in ZCI direct. In addition to its direct interest through its holding in Rhokana, ZAMANGLO held direct interests in the mining and prospecting companies of the RST group, and acquired additional RST prospecting interests from the Charter group; it also held an interest in Zamanglo Exploration Limited. All these interests were vested in ZCI in exchange for new ZCI shares. As a result of the merger of Kansanshi Copper Mining Company Limited (Kansanshi) with NCCM, ZCI acquired a further 624 115 NCCM 'B' shares and in turn issued ZCI shares to the holders of the remaining 49 per cent interest in Kansanshi. ZAMANGLO, as a shareholder, received new ZCI shares from this transaction. The Anglo American Corporation Group of companies exchanged their holdings of ZCI shares and loan stocks for new ZAMANGLO shares.

It has recently been announced that agreement has been reached between Baluba Mines Limited and RCM on the sale of the Baluba assets to RCM for the sum of K5 153 816. By virtue of its 34.268 per cent interest in Baluba, ZCI will receive the sum of K1 766 000. The purchase consideration was agreed on the basis of Baluba's book values.

Following the above transactions ZAMANGLO holds 50.798 per cent of ZCI's share capital, 47.10 per cent of the ZCI loan stock 1982 and 67.12 per cent of the ZCI loan stock 1978. Before the transfer of the domicile of ZAMANGLO from Zambia to Bermuda in June 1970, ZAMANGLO's industrial and farming interests in various Zambian companies, with a book value of approximately K3.7 million, were transferred to Zamanglo Industrial Corporation Limited (ZAMIC), a wholly-owned subsidiary, it being considered appropriate that these interests should be held through a Zambian company. Further details of ZAMIC's interests appear on page 34 in the section on Industry and Commerce.

In February 1971, agreement in principle was reached for the acquisition by NCCM of the assets (excluding a holding of Government stocks, which will be vested in ZCI) of The Zambia Broken Hill Development Company Limited (ZBHD), a lead and zinc producer, managed by the Anglo American Corporation Group. In consideration, NCCM will issue new 'B' shares, and an acknowledgement of debt to ZCI, which in turn will issue new ZCI shares to the present ZBHD shareholders. Mindeco

Limited on behalf of the Government of Zambia will subscribe in cash for new 'A' shares in NCCM to maintain its interest of 51 per cent.

ZAMANGLO made a net profit of K28.98 million (£16.91 million) for the period from 1st July 1969 to 25th June 1970 compared with K20.32 million (£11.85 million) in the year to 30th June 1969. This 42.6 per cent increase was largely attributable to the substantial terminal dividends paid by Rhokana Corporation Limited for the six months to 31st December 1969 and by Nchanga Consolidated Copper Mines (1937) Limited for the nine months to 31st December 1969. The high level of these dividends was attributable to increased copper production, high selling prices and to a minor extent to the valuing of closing stocks at a selling price as agreed in the negotiations with the Zambian Government. ZAMANGLO's ordinary dividend for the year ended was an unchanged 54 ngwee (31.5p) a share. Following the internalisation of ZAMANGLO to Bermuda a special dividend of 2s 6d (12.5p) a share was paid in December 1970. ZAMANGLO reported unaudited net profits for the six months to 31st December 1970 of £8 599 000, and an interim dividend of 0d (25p) a share was declared.

The net assets of Anglo American Corporation of Canada Limited (AMCAN), taking quoted investments at market value, amounted to \$84.8 million (Canadian) at the end of 1970, compared with \$114.6 million a year earlier. The diminution in value was largely attributable to the decline in market value of AMCAN's holding in Hudson Bay Mining and Smelting Co. Limited, which is its major asset. Net income of AMCAN was substantially lower in 1970, amounting to \$0.90 million, or 10.8 cents a share, compared with \$5.2 million or 61.6 cents a share the previous year. The reduction in net income by comparison with 1969 resulted from lower dividend income from Hudson Bay, high interest charges and losses suffered on trading operations. Not included in normal earnings were gains on realisation of investments of \$0.99 million. The dividend of 40 cents a share was maintained.

## Gold

### *Extension of operations at Vaal Reefs*

The South African gold mining industry produced 999 857 kilograms of gold in 1970, which was 27 067 kilograms higher than the previous record production of 972 790 kilograms in 1969. Tonnage milled increased by 1 266 000 metric tons to 74 467 000 metric tons and the average recovery grade rose from 13.12 grams a metric ton to 13.28 grams a metric ton. Total working profit from gold nevertheless fell mainly because unit costs increased by 27 cents to R7.34 a ton milled, reflecting higher wages and rising costs of stores and services, and also because premiums from sales on the free market fell by R30 900 000 to R26 300 000 as a result of lower prices in the first three quarters of the year. Towards the end of 1970, however, the price rose to over U.S.\$37 an ounce and by mid-April was nearly \$39. It is encouraging to note that the free market is estimated to have absorbed about 78 per cent of the total annual South African production and in addition to have absorbed some of the speculative overhang that accumulated during the currency crises of previous years. A continuation of the upward trend in gold prices would be of particular advantage to those mines that are experiencing rising costs and falling grades.

In terms of the arrangement agreed between the South African Government and the International Monetary Fund in December 1969, all current gold production must be sold on the free market if the free market price is above \$35 an ounce. If South Africa is in an overall payments deficit (after including current gold production as an export item) reserve gold may be offered to the Fund at \$35 an ounce to satisfy foreign exchange needs. However, should the free market price drop to \$35 or below, newly-mined gold may be offered to the fund at \$35 an ounce for current exchange requirements irrespective of whether South Africa is in overall payments surplus or deficit.

The mines of the Anglo American Corporation Group produced 395 619 kilograms of gold during 1970, a decrease of 2 350 kilograms or 0.6 per cent. This represented about 40 per cent of the total production of South African mines. Tonnage milled, on the other hand, increased by 850 000 metric tons or 3.6 per cent to 24 643 000 metric tons. Working profit from gold fell by R18.9 million to R154.8 million, mainly because of the decline in premium income by R12.5 million to R10.5 million. Dividends paid, excluding inter-company dividends from Freddies Consolidated Mines Limited and Free State Saaiplaas Gold Mining Company Limited, declined marginally by R22 000 to R71 531 000. Taxation and the State's share of profits absorbed R56.8 million.

On 6th December 1970, a joint announcement by Vaal

*Further details of the principal finance and investment companies in which the Group holds shares are given on pages 60 to 66.*



Reefs Exploration and Mining Company Limited, Western Reefs Exploration and Development Company Limited, Western Holdings Limited and Southvaal Holdings Limited gave shareholders preliminary information about proposals for the rationalisation and extension of mining operations in the Orkney area. The effect of the proposals would be to enlarge the South Lease area of Vaal Reefs and to merge Western Reefs into the Vaal Reefs company by an exchange of shares. If approved by shareholders and the State, the scheme would make

the new Vaal Reefs the biggest gold mining operation in the world. The benefits flowing from the scheme would be considerable, not only because it would remove the necessity for existing boundary pillars and dual control at the Vaal Reefs/Western Reefs Joint No. 3 shaft, but also from economies of scale.

These plans are still tentative to the extent that the approval of the State and of the shareholders is required for much of what is proposed. Formal applications have been lodged with the Government Mining Engineer.

At Vaal Reefs an important advance in mining technology has been achieved with the successful commissioning at No. 1 shaft of a hydraulic hoisting installation to pump gold-bearing quartzite fines in a sludge from the 2 193 metre level underground to surface, using oil-medium pumps. The Group's consulting engineers regard this development as a valuable aid in increasing shaft capacity where existing hoisting arrangements are limited.

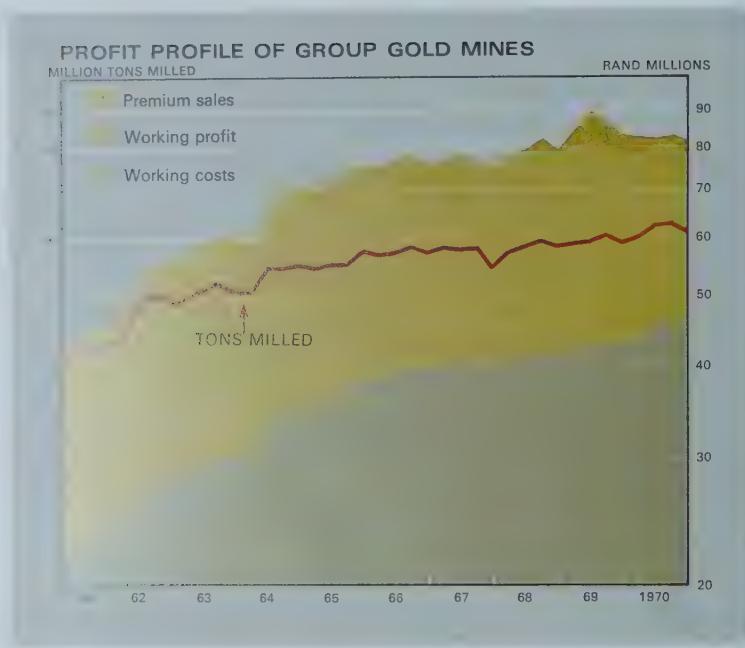
During the year the lives of The South African Land & Exploration Company Limited (S.A. Lands) and East Daggafontein Mines Limited were reassessed to take into account the expected inflow of water into the workings of both mines from defunct mines and from others in the area due to close in the near future. Mining operations at both S.A. Lands and East Daggafontein are now expected to stop towards the end of 1972. At S.A. Lands, however, it is expected that profits earned in 1971 and 1972 will be substantially higher than they would normally have been during these years in view of the policy to extract the greatest possible quantity of gold in the shortest possible time; indeed it is likely that total profits will not be much less than they would have been over the longer life previously expected. At East Daggafontein on the other hand, payable ore is becoming increasingly difficult to find; nevertheless profitability in 1971 is expected to improve on the previous year.

During the winter months the seven mines in the Orange Free State experienced a severe shortage of timber. Reclamation of timber from old workings and the extended use where possible of composite concrete and timber support enabled the planned milling rate to be achieved in spite of the shortage becoming critical from time to time. As a result of co-operation from the South African Railways and from the timber suppliers, larger reserve stockpiles have now been built up and a recurrence of the shortages is not expected.

Steady progress has been made at President Steyn's No. 4 shaft which, at the end of March 1971, had reached a depth of 2 168 metres. The Basal Reef was intersected at a depth of 2 074 metres last February.

**URANIUM** Production of uranium oxide by Group mines in 1970 totalled 1 178 metric tons, compared with 1 250 metric tons in 1969. Working profit from uranium and acid was R6.0 million compared with R6.5 million in 1969.

*One of the hazards of beach mining down to the low water mark at CDM. Unusually heavy Atlantic seas inundate the mining area and pumping equipment has to be withdrawn before the wall is breached. A few days later, normal operations had been resumed*



The uranium market is still depressed and present indications are that no upturn is likely for the next three or four years. The future supply/demand position has become even more uncertain owing to reports of recent discoveries in Australia. Despite these factors, we remain optimistic that we shall be able to dispose profitably of our Group's production in the latter half of this decade, but stockpiling over the next three/four years appears to be inevitable.

Production of uranium at Western Deep Levels Limited started in January 1970. At Vaal Reefs and Western Reefs the conversion of the plants to the solvent extraction process was completed during the year and the results are very satisfactory. The process has not only improved the quality of the product but has also reduced costs.

*The detailed operating results of mines administered by Anglo American Corporation and those in which the Group has substantial interests are given on pages 67 to 72.*

## Diamonds

### *Improvement in sales expected*

Sales of gem and industrial diamonds by The Central Selling Organisation in 1970 totalled R378.4 million, which was 23.5 per cent below the record sales of R494.6 million in 1969. This decline was mainly the result of the recession in the United States, which remains the largest single market for gem diamonds, and of a running down—accelerated by generally higher interest rates—of the stocks that manufacturers and retailers in most countries had built up in times of currency uncertainties. However the diamond market is now showing signs of improvement, and total sales by the Central Selling Organisation in the first half of this year are expected to be nearly three per cent higher than in the first half of 1970 and 15 per cent higher than in the second half.

The total output of De Beers Consolidated Mines Limited rose by 288 971 carats to 4 752 971 carats, an increase of six-and-a-half per cent, because of the improved grade at Finsch mine which offset lower production in Namaqualand, where grade returned to normal after an exceptionally rich but limited area had been worked out. Payable ore at Jagersfontein mine has now been exhausted and when cleaning-up operations have been completed the mine will close. The majority of the personnel employed at Jagersfontein have been transferred to Koffiefontein mine, which is scheduled to start production in July 1971.

Premier (Transvaal) Diamond Mining Company Limited produced 2 490 000 carats during the year, a slight decrease over 1969.

Production at The Consolidated Diamond Mines of South West Africa Limited (C.D.M.) fell by 188 000 carats to 1 509 000 carats as a result of a drop in grade from 0.29 to 0.27 carats per cubic metre. The new No. 4 plant was successfully commissioned in November 1970 and attained full production in January 1971.

During April 1971 C.D.M. ceased mining operations in the foreshore and sea concessions that it leases from Marine Diamond Corporation Limited. The diamonds recovered from the foreshore are of a type which is currently in surplus. Operations on the foreshore have been very successful, however, and techniques have been developed that make it possible to mine the lower half of the foreshore right down to the low water mark. Research to extend mining further into the surf zone is being continued.

In the sea concessions the reserves established by prospecting during the past five years are almost depleted, and recently the grade has not reached expectations. The prospecting programme is continuing.

Development of the open-pit mine at Orapa (AK/I) in central





Botswana is progressing well. A 5.8 megawatt power station has been commissioned and the 8 000 tons a day recovery plant should be in operation by the end of May 1971. The 240 kilometre access road from Francistown to Orapa, financed by a loan from De Beers, will be opened during 1971 and the 52 kilometre pipeline from the Mopipi dam to the mine is nearing completion. The dam, covering an area of 2 349 hectares, is fed from the Botletle river and was filled to 80 per cent of capacity by the year end. At capacity the dam will hold sufficient water for two years' operations.

Sales of natural diamond grit were little changed compared with the previous year and sales of synthetic diamond grit increased by about 17 per cent—in total a satisfactory improvement over 1969. Extensions of the synthetic factories at Springs in the Transvaal and at Shannon in Ireland were continued. At Shannon further presses were installed in the first quarter of 1971 bringing the total capacity to five presses of 10 000 tons each. In South Africa two new 10 000 ton presses have recently been installed, one for production purposes at Springs and the other to extend the high pressure research facilities of the De Beers Diamond Research Laboratory in Johannesburg.

The laboratory's main objectives are to improve mining recovery methods, to broaden the market for industrial diamonds,

particularly grits, by developing new uses and extending existing ones and steadily to improve the standard and quality of both natural and synthetic diamond grits. The benefits of this research are shown in the steady growth in sales of grit in the face of increasing competition.

*Further details of companies in the De Beers group are given on page 74.*

## Copper and other mining

*Nchanga produces nearly 400 000 tons of copper*

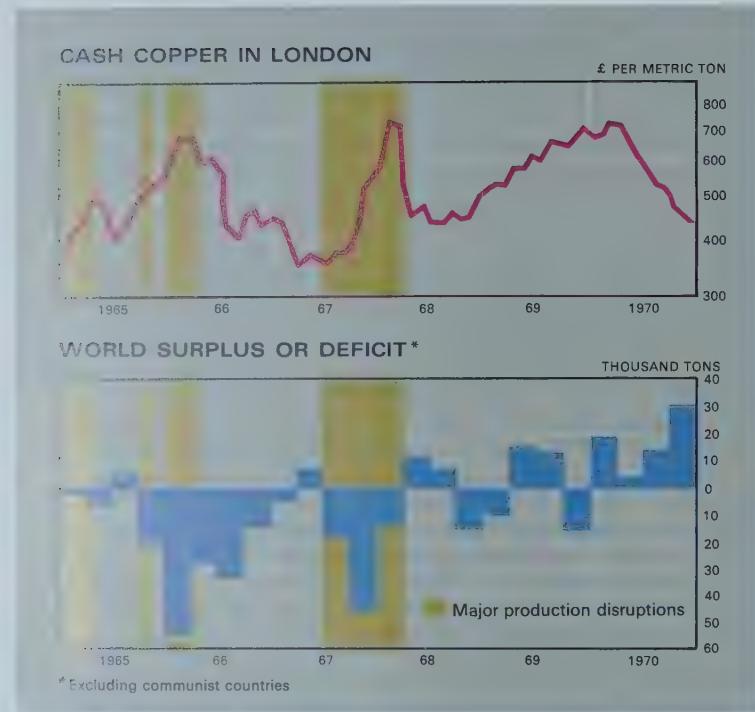
In 1970 world copper production, including an estimate of Communist production, increased by 370 000 metric tons to 6 275 000 metric tons. While the consumption of copper continued to grow, and reached new high levels in Europe, the rate of expansion was slower than in 1968 and 1969 because of the reduced demand in the U.S.A.

In 1969 the strong demand for copper had raised London Metal Exchange prices from around £500 a metric ton at the beginning of the year to a peak of £734 for sellers cash metal in early December after which the market fell back slightly. The stage seemed set for a substantial reaction in 1970 and prices dropped to a low of £657 for sellers cash metal in January. The market subsequently recovered, and by mid-April the cash sellers' price was £749. From this point the price fell and the closing cash sellers' price of 1970 was £432, showing a fall of 38 per cent on the year. The average settlement price for the year was £587.90 compared with £611.22 in 1969 and £515.75 in 1968. At the end of March 1971, cash copper closed at £526.50 a metric ton.

By mid-1970, arrangements had been completed whereby the Zambian Government acquired with effect from 1st January 1970 a 51 per cent interest in the equity share capital of Nchanga Consolidated Copper Mines Limited (NCCM) and of Roan Consolidated Mines Limited (RCM). Details of the arrangements are set out in the Finance and Investment section of this report on page 15.

NCCM has three operating divisions, Rokana division (formerly Rhokana Corporation Limited and Rhokana Copper Refineries Limited), Chingola division (formerly Nchanga Consolidated Copper Mines (1937) Limited) and Konkola division (formerly Bancroft Mines Limited). The Anglo American Corporation Group provides management, consultancy, sales and other services to the Nchanga company.





Later in 1970 arrangements were concluded for Government to acquire a 51 per cent interest in Kansanshi Copper Mining Company Limited (Kansanshi) and for the assets and undertakings of that company to be vested in NCCM. Under the exchange arrangements Kansanshi shareholders received shares in Zambia Copper Investments Limited.

Production of finished copper by NCCM during 1970 increased by 2 825 metric tons to 395 511 metric tons. Sales were 382 719 metric tons against 452 822 metric tons in 1969, but the latter figure included 60 567 metric tons brought into account in that year as a result of a change in accounting procedure. Revenue from sales declined from K478.5 million to K365.3 million in 1970 mainly because of the fall in copper prices on the London Metal Exchange. Sales of cobalt fell by 119 metric tons to 1 972 metric tons realising K6 885 000 compared with K6 268 000.

Shortages of supplies of materials caused by transport difficulties affected a number of operations, particularly the commissioning of the Rokana division's plant at Bwana Mkubwa, which is now expected to be in full production only at the end of May 1971, instead of in the first quarter of the year. The estimated cost of the project has risen from K9.5 million to K11 million, including K2.2 million for contractors' equipment.

At Rokana poor ground conditions at depth continued to cause difficulties and increase mining costs. The Torco plant at Rokana, for the treatment of refractory ores, operated satis-

factorily and produced 6 275 metric tons of copper, 714 metric tons above the target for 1970.

The recovery of copper from low-grade oxide ores and old tailings dumps at the Chingola division of NCCM has been under investigation for some time and it has been decided to employ the cementation process and solvent extraction processes. The capital cost of the first stage of the project, using the cementation process, is estimated at K2.8 million and is scheduled to produce 25 000 metric tons of copper a year for two years, beginning in July 1971. Stage two, which is expected to come into operation late in 1973, is estimated to cost K40 million and will produce an additional 55 000 metric tons of copper a year.

The water problem at Konkola division is a continuing one and to maintain production it has been necessary to raise pumping capacity to 409 megalitres a day. This rate will be increased to 590 megalitres a day in 1971.

The concentrator at Nampundwe, near Lusaka, was commissioned in March 1970 and 29 760 metric tons of pyrite concentrates were produced by the year end. This material provides the necessary sulphur for the Rokana smelter to operate on increased quantities of oxide concentrate feed.

RCM's production of finished copper in 1970 was 288 714 metric tons and sales were 305 385 metric tons, valued at K304.5 million. Production in the last quarter was badly affected by the Mufulira disaster on 25th September 1970, when a massive cave-in from surface flooded a major part of the underground workings and reduced production in that quarter to 14 000 metric tons, compared with 50 000 metric tons in the previous quarter: 89 miners lost their lives in the tragedy. It is not known when this important division of RCM will be back to full production.

As mentioned in the Finance and Investment section agreement has been reached for the sale of the assets of Baluba Mines Limited to RCM. Baluba will form part of the Luanshya division of RCM and it is planned to bring Baluba into production as an underground mine early in 1973. Production is expected to reach a rate of 22 000 metric tons a year in the second half of that year, which will bring the combined output of Luanshya and Baluba to about 120 000 metric tons a year. Later it is planned to increase Baluba's production to 50 000 metric tons a year to maintain combined output as Luanshya's production decreases. Together with the purchase consideration, the total estimated capital cost of bringing the mine to full production is about K39 million.

The Zambia Broken Hill Development Company Limited achieved a record output of 81 022 metric tons of lead and zinc in 1970, an increase of 7 719 metric tons. In accordance with the royalty remission arrangements previously agreed with the Government of Zambia a final amount of K376 000 was lent to the company on 31st March 1970, bringing the total of Government loans to K1 990 000. On 1st April 1970, royalty and export



tax, which were based on London Metal Exchange prices, were replaced by a mineral tax amounting for lead and zinc to 20 per cent. The combined mineral and income tax rate levied on profits is effectively equal to 56 per cent. The total amount drawn against the loan facility granted to the company by Zambian Anglo American Limited was repaid by March 1970 and the facility fell away with the termination of the royalty remission arrangements. The company redeemed the remaining K1 000 000 of its 6½ per cent registered unsecured notes on 30th June 1970. In February 1971 proposals for the Government of Zambia to acquire a 51 per cent interest in the company were announced. Details of the proposals will be found in the Finance and Investment section, on page 15 of this report.

In Mauritania production of copper concentrates at the Akjoujt mine was delayed by late delivery of important items of equipment and difficulties in commissioning the plant, but regular shipments of commercial concentrates are expected to start in the near future. Charter has a major shareholding in and provides management services to the Société Minière de Mauritanie, which operates the mine.

The profit attributable to The Messina (Transvaal) Development Company Limited for the year to 30th September 1970 was R10 362 000 compared with R8 459 000 in the previous year. The Anglo American Corporation Group has an interest of approximately 10 per cent in this company which, in addition to its major copper mining activities, has a 46.5 per cent interest in Datsun-Nissan Investment Company Limited and a 35 per cent interest in Concorde Leasing Corporation Limited.

Swaziland Iron Ore Development Company Limited mines iron ore at Ngwenya in Swaziland for shipment to certain Japanese steel mills under various contracts covering in total 19.9 million metric tons of high-grade lump ore and fines to be delivered by 1975, and a contract signed in 1970 for 7.5 million metric tons of medium-grade ore to be delivered between 1971 and 1978. Initial deliveries of the medium-grade ore will start at the rate of some 305 000 metric tons a year, but the bulk of the tonnage under this contract will fall to be delivered in a period of some three years after the completion of the lump ore and fines contracts.

At 31st December 1970, the progressive quantity of ore delivered under the lump ore and fines contracts totalled 10 226 536 metric tons, of which 2 043 184 metric tons were delivered during that year. Apart from the contractual shipments during the year, the company supplied the Japanese steel mills with 159 503 metric tons of lump ore under a separate transaction not covered by the main contract, and, with the consent of the Japanese mills, it also shipped 216 669 metric tons of lump ore to Germany.

In December 1970 the Corporation acquired the issued share capital of Botswana Exploration and Mining Company (Proprietary) Limited (BEMCO) for a provisional consideration of

R2 000 000. BEMCO mines manganese on a small scale near Kanye in southern Botswana.

Net profit of the Rhodesian Nickel Corporation Limited, which owns Trojan Nickel Mines Limited, Madziwa Mines Limited and Bindura Smelting and Refining Company Limited, increased by R\$2.77 million to R\$3.1 million in the year to 31st March 1970.

Anglo American Corporation, Charter and Rand Selection together hold approximately 44 per cent in The South West Africa Company Limited. Income from the sale of concentrates containing vanadium, lead, zinc, tin and wolfram rose in 1970 by £200 000 to £1.8 million. Higher operating and tax charges resulted in the net profit being some £51 000 lower at £220 000.

Cleveland Potash Limited, which is jointly owned by Charter and associates and Imperial Chemical Industries Limited, continued to make satisfactory progress with the surface installations and shafts for the major potash mine which it is establishing in Yorkshire. Production is scheduled to start in 1973 at an initial annual rate of one million metric tons increasing later to 1.5 million metric tons.

The production of wolfram concentrates at Beralt Tin and Wolfram Limited totalled 1 600 metric tons. This was below the target for the year because of the continuing labour shortage. The comparable figure for 1969 was 1 356 metric tons. The market for tungsten was firm throughout the year and the average price realised rose to £28.28 per long ton unit. Net profits after tax increased to £1 092 000. An interim dividend of 8.75p was paid in October 1970 followed by a final dividend of 12.25p making a total of 21p for the year. It is hoped that a further moderate increase in production will take place in 1971.

In 1970 the Tronoh group of tin mining companies in Malaysia produced 8 529 metric tons, 571 tons more than the previous year. The tin metal price in Penang improved to an average of £1 496 a metric ton, compared with £1 408 in 1969.

Net earnings of Hudson Bay Mining and Smelting Co. Limited in 1970 were \$19.56 million (Canadian), equal to \$2.16 dollars a share, some 34 per cent lower than the \$29.7 million or \$3.29 a share in 1969. Several factors contributed to the decrease in earnings including lower prices for copper and zinc, increased operating costs and lower revenue from exports following the unpegging of the Canadian dollar. Dividends paid by Hudson Bay were \$1.18½ a share, compared with \$1.46², including a bonus of 33½ cents a share, in 1969.

Two new base metal mines in the Snow Lake area of northern Manitoba were brought into production by Hudson Bay in November 1970. Anderson Lake mine is a wholly-owned copper producer; the other, Dickstone mine, is a copper-zinc property financed and operated by Hudson Bay for 75 per cent of the profits. The company's Sylvite of Canada division brought its new potash mine and refinery into production on 25th September



1970. In view of the technical problems involved in shaft sinking through extremely difficult ground, it was a remarkable achievement to reach production stage just 26 months after shaft sinking began, and at budgeted cost.

*The detailed operating results of mines managed or administered by the Anglo American Corporation Group and those in which the Group has substantial interests are given on pages 76 to 78.*

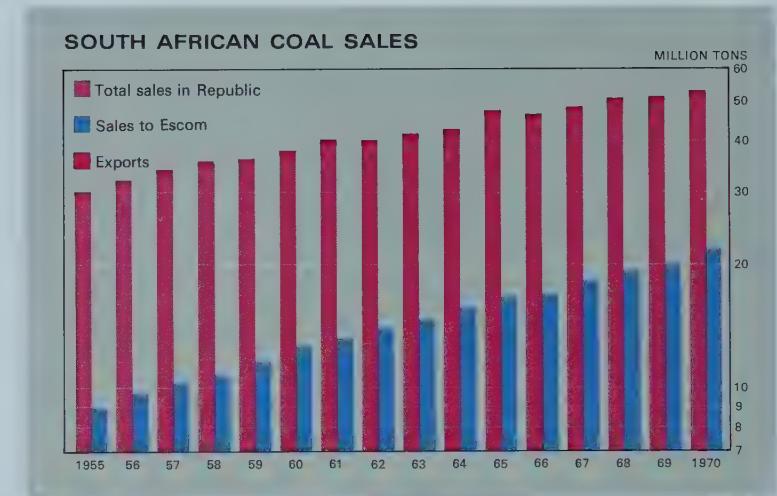
## Coal

### Major participation in Japanese contract

This year was an exceptional one for coal on world markets, and throughout Africa considerable progress was made towards the development of an important export trade. With activity in the international steel industry at a high level for the third successive year the market became increasingly firm and spot purchases, particularly of coke, commanded record prices. South African producers were able, to the extent that railway and port facilities allowed, to export sizeable quantities of power station coal, anthracite and coke. Towards the end of the year, however, major steel producers, notably in Japan, began to take a more cautious view of the future, and markets started to return to more normal levels.

South African coal sales in 1970 increased by 1.9 million metric tons to 53.1 million metric tons. Sales by the South African collieries of the Group rose by 1.14 million metric tons to 15.98 million metric tons, which is equivalent to 30 per cent of the industry total. Sales by the Group included record sales of metallurgical coal of 2.39 million metric tons to the South African Iron and Steel Industrial Corporation Limited (ISCOR). Aggregate working profits from Group coal and coke sales rose by R600 000 to R8 800 000.

In Southern Africa the Group operates twelve collieries and also has important interests in five others. It controls extensive reserves of metallurgical, anthracite, lean and power station quality coal. A further new mine, Arnot Colliery, which is to supply 5.5 million metric tons a year to the Electricity Supply Commission's (ESCOM) power station at Arnot in the Transvaal of 2 100 megawatt capacity, is at present being commissioned. Planning has started on Kriel Colliery, which is scheduled to begin deliveries in 1975 under the Group's contract to supply 7.9 million metric tons a year to ESCOM's 3 000 megawatt Kriel Station. The cost of bringing these two collieries to production stage will be approximately R28 million.



In March 1971, The Transvaal Coal Owners Association (1923) (Proprietary) Limited (TCOA), concluded a contract for the sale of 27.8 million metric tons of metallurgical coal to Japan, worth over R250 million. This coal will be supplied by seven producers in the Transvaal, of which two Group collieries—South African Coal Estates and Springbok Colliery—will together provide some 10 million metric tons. Total deliveries will be spread over 14 years, starting in 1972 at a nominal rate and increasing in 1976 to 2.74 million metric tons a year for the ensuing 10 years. A condition of the contract was that railway, port and handling facilities on an appropriate scale would be established in South Africa. Following negotiations between the Government, the South African Railways and Harbours, the Japanese buyers and the coal industry, it has been agreed to develop a deep-water port at Richards Bay and establish a rail link between the port and Witbank, providing the industry, by 1976, with a modern competitive transportation link and loading terminal.

The Department of Commerce and Industries has granted initial permission for up to 109 million metric tons of coal to be exported in the first 12 years. Because of the domestic shortage of metallurgical coals, the types of coal for which export permission has been granted are necessarily restricted, but a variety of other South African coals, mined as they can be at pithead costs which are among the lowest in the world, should find ready world markets.

In recent years the Group has played a leading role in two important development projects. The first concerns the two-stage separation from conventional steam coals of a more highly priced low-ash fraction. This development in fact led to the conclusion of the Japanese coal contract by enabling a fraction with valuable metallurgical qualities to be extracted from No. 2 seam steam coals in the Witbank area. In its wider applications,

the process will undoubtedly increase the potential value of other South African coals, particularly their competitive quality in export markets. Secondly, the international shortage of metallurgical coals has stimulated research into the manufacture of coke, known as form coke, from non-coking or weakly-coking coals. This work has resulted in the recent decision to establish, under the aegis of the TCOA, a commercial scale pilot plant to supply form coke to ISCOR. Various coals, not intrinsically of metallurgical quality, will be used as experimental feedstock material.

In Rhodesia, in spite of transport difficulties, coal sales by Wankie Colliery Company Limited increased by 88 000 metric tons to 3 171 000 metric tons in the year to 31st August 1970. Coke sales increased by 3 000 metric tons to a record 225 000 metric tons. Capital expenditure in the year amounted to R\$4 825 000 mainly for the new coking plant now under construction.

Further exploration in Botswana of the Morupule coalfield, first drilled by the Botswana Government's Geological Survey, has delineated a major deposit suitable for power station purposes. Initially a mine on a modest scale will be established to supply the needs of the Botswana Power Corporation.

*The detailed operating results of mines administered by Anglo American Corporation and those in which the Group has substantial interests are given on pages 79 and 80.*

## Industry and commerce

### Mondi paper mill starting up

The estimated value of the industrial, commercial and property companies administered by the Corporation was approximately R650 million at the end of 1970. The interests of the Corporation and its associated finance companies in this total of R650 million amounted to more than R270 million, while their interests in companies outside the Group were valued at approximately R120 million. The total value of the Group's investments in industrial, commercial and property companies was therefore about R400 million at the year end. The figures are not comparable with those of previous years because for the first time Engelhard Hanovia Inc. has been included among the companies administered by the Group.

The Group's investments in industry and commerce covers a very wide range of activities including: iron, steel and alloys; chemicals and explosives; civil engineering and construction; drilling tools; refractories and other structural clay products;

textiles, paper and board; agricultural products, other food-stuffs and beverages; and motor transport, vehicles and parts. As much of the Group's industrial investment is in new projects which are still being developed, the Group's income from this sector does not reflect its true potential.

The main vehicle for participation in new ventures is Anglo American Industrial Corporation Limited (AMIC) which holds a large and varied portfolio of South African industrial shares. In addition, interests in industry in Southern and Central Africa and elsewhere are held directly in Anglo American Corporation, Rand Selection Corporation Limited, Anglo American Corporation Rhodesia Limited and Zamanglo Industrial Corporation Limited (ZAMIC). Through De Beers Industrial Corporation Limited (Debincor)—a company of the De Beers group—AMIC has a substantial investment in African Explosives and Chemical Industries Limited. Through Mainstraat Beleggings (1965) (Eiendoms) Beperk (Mainstraat) the Group has joint investments with the Federale Mynbou/General Mining group in certain companies in heavy engineering. Industrial interests in the United Kingdom are held through the Charter Consolidated group.

Construction at the Mondi Paper Company Limited plant at Merebank, Durban, started in January 1970 and remained on schedule despite shortages of labour and materials. The organisation to operate the R38 million paper mill complex is now being built up. Training programmes have been introduced for various grades of personnel, most of whom were recruited in South Africa. Paper-making is expected to start in the middle of 1971, and at full operation the new mill should effect import savings to the order of R14 million a year. The Group's partners in the venture are The Bowater Paper Corporation Limited and Johannesburg Consolidated Investment Company Limited.

Another notable development in 1970 was the fact that Highveld Steel and Vanadium Corporation Limited recorded its first monthly profit in June 1970. For the six-month period thereafter Highveld earned an unaudited net profit of R1.881 million after providing for interest and depreciation compared with a loss of R1.835 million for the previous six months. Export sales of vanadium and steel products during 1970 contributed more than R20 million to South Africa's foreign exchange earnings. Towards the end of 1970 the decision was taken to install a fifth pre-reduction kiln which will have the effect of increasing the capacity for the production of iron. In 1970 a third kiln was installed in the Vantra division and a fourth kiln is now being commissioned. This division maintained a satisfactory level of fused vanadium pentoxide production during the year. The generally improved performance and financial results during the latter half of 1970 indicate a satisfactory trend. However, it must be noted that not all divisions of the plant have yet reached rated capacity production.

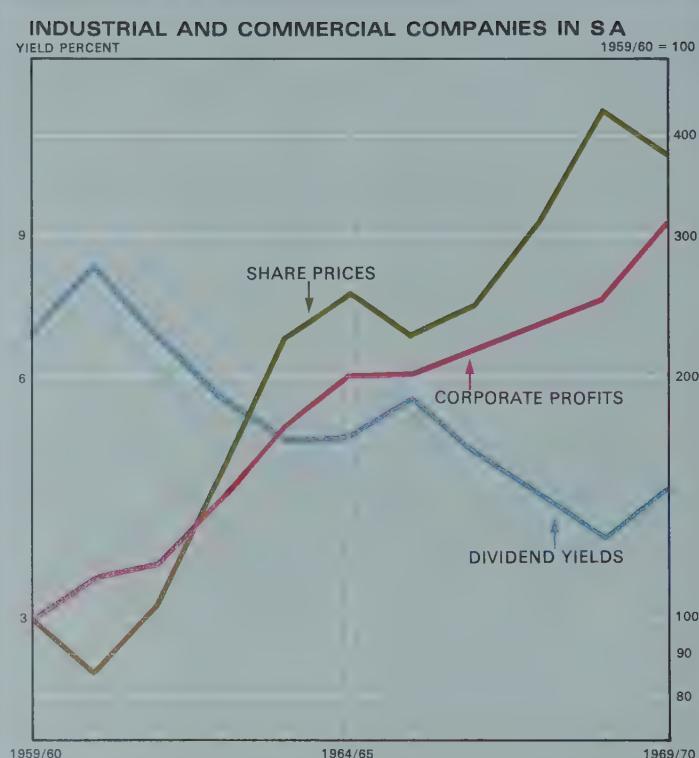


The consolidated profit after tax of Scaw Metals Limited for the eighteen-month period to December 1970, was R5.4 million. This compares with the taxed profit of the previous accounting period of twelve months to June 1969, of R2.5 million. As anticipated the new rolling mill made a substantial contribution towards the profits and increased activity in the steel casting division was reflected in the overall results. Scaw Metals operates in three major fields, namely, ferrous and non-ferrous castings which includes railroad components such as bogie castings and freight-car wheels; rolled steel products in the merchant bar range; and grinding media for the mining and cement industries. The demand for the company's products is expected to continue at a reasonable level during the current year.

The Group has acquired an interest of about 15 per cent in a new holding company, International Pipe and Steel Investments South Africa (Proprietary) Limited (IPSA) which was formed in July 1970 in terms of an agreement between the South African Iron and Steel Industrial Corporation Limited (ISCOR), Metkor Investments Limited, African Gate Holdings Limited, British Steel Corporation and Anglo American Corporation. IPSA should derive substantial benefits from its controlling interests in Stewarts and Lloyds of South Africa Limited, Dorman Long (Africa) Limited and Vanderbijl Engineering Corporation Limited.

The Stewarts and Lloyds group broadened its base of operations in the latter half of 1970 by adding a number of important engineering companies to its portfolio, notably Baldwins Limited, H. Incledon and Company (South Africa) Limited, Tube and Pipe Industries (Proprietary) Limited and Crane Glenfield (S.A.) (Proprietary) Limited. The group trading profit before tax for the year ended 30th September 1970 was R5.16 million. Excluding the results of those companies acquired during the year, the comparable 1970 profit showed an earnings improvement of 80 per cent over the previous year. The dividend was increased from 7.5 cents to eight cents a share. The current steel shortage will in all probability affect the company's profit growth, although it is planned to counter the difficult trading conditions by rationalisation of services and using operating techniques which are now available to the enlarged group. A profit of R6 000 000 before tax is forecast for the current year.

Consolidated profits after tax of The Union Steel Corporation (of South Africa) Limited for the year ended 31st December 1970 increased by R683 000, or 36 per cent, to R2 589 000 partly because productivity improved and partly because the controlled price of steel was raised from 1st July 1970. Total dividend distribution for the year rose by one cent to 4.5 cents a share. Expansion plans under consideration costing a total of R22 million include an electric arc furnace, a rolling mill and continuous casting equipment at the Vereeniging works and an



aluminium plant which is now being built at Richards Bay in Natal.

Hall, Longmore and Company Limited, in which Mainstraat has a substantial interest, manufactures large-bore pipes and fittings and also contracts for chemical plant installations. The company operated at a high level of activity throughout most of the year and increased its sales by five per cent. Together with other companies in the heavy engineering section, the company suffered from the shortage of steel supplies from the middle of the year.

The Anglo American Corporation Group and the Johannesburg Consolidated Investment Company Limited in 1970 increased their investments in Lenning Holdings Limited, a general engineering company, and now jointly own the majority of the issued capital. During 1970, Lenning acquired Andrews Alarms (Proprietary) Limited and W. J. Leith and Company (Proprietary) Limited.

Union Carriage and Wagon Company Limited, in which Mainstraat has a substantial interest won contracts during the year exceeding R20 million in value, including an order from South African Railways for a further 100 electric locomotives

of the high horsepower 6E1 type. Current manufacturing contracts include two Blue Trains, main line and suburban coaches and industrial and electric locomotives. With the completion of the R2 million expansion programme at the Nigel plant a considerably higher volume of assembly work can now be undertaken. The management reorganisation is proving effective and further improvement in the financial results is expected, provided production programmes are not disorganised by lack of

salloys (Proprietary) Limited made a maiden profit of R1 300 000 in 1970, as a result of the technical improvements made by Air Reduction Company Inc. of New York and the market for ferro-alloys. The company produces a range of ferro-manganese products and various grades of titanium.

Products Limited which is wholly owned within the Anglo American Group has installed a plant to produce zinc oxide for agricultural and rubber manufacturing industries. Zinc oxide in various forms is being used increasingly for fungicides and as a soil additive for the maize crop.

Vereenig Refractories Limited, a subsidiary of The Verenig Estates Limited, the acceleration of the diversification programme increased turnover by 20 per cent and taxed profits from R281 000 to R2 351 000 in the year to 31st December 1970. The dividend was again increased by one cent to 22 cents a share. Initial shipments of coke oven silica shapes were made to Australia and Japan. Sales of these products are expected to increase materially in the years ahead. Marico Company (Proprietary) Limited, a wholly-owned subsidiary, had a very active year supplying raw materials for pottery and clay product manufacturers, improving its turnover and profitability by 20 per cent and 10 per cent respectively. Clay Pipes Limited, which is jointly owned with Cullinan Industries Limited, had a most successful year and its production capacity for salt-glazed ware will be substantially increased by the end of 1971 on completion of the current expansion programme. The results of Vereenig Tiles Limited were affected by labour difficulties and by increased costs of cement and transport. The company is embarking upon an extensive expansion programme to take advantage of the growth potential of its products in both home and export markets.

Boart and Hard Metal Products S.A. Limited (Boart), a wholly-owned subsidiary of AMIC, achieved record levels of production, sales and profit in its traditional operations—the manufacture of tungsten carbide and diamond drills and contract drilling. However, Boart also has investments in certain civil engineering companies and participates in joint ventures undertaking civil engineering contracts. Certain of these companies and ventures have incurred substantial losses, for which it was considered prudent for Boart to provide, in some cases out of current profits and in

others, where the losses can be attributed to earlier years, against reserves.

After providing R3 024 000 as a provision for losses in unquoted companies and on a joint venture, the net profit after tax attributable to Boart for the year to 31st December 1970 was R2 674 000 compared with R3 610 000 in 1969. In addition, R3 464 000 was written off capital reserves.

LTA Limited, a major South African construction and civil engineering company, in which the Anglo American Corporation Group has a large interest, was severely affected in the year to 30th June 1970 by adverse results on certain civil engineering contracts and because no profit accrued from Shaft Sinkers (Proprietary) Limited, in which LTA had a 50.05 per cent interest which has since been sold. Group profit after tax was R1 307 000 equivalent to approximately 25 cents a share, compared with R2 053 000 or 40.4 cents a share in 1969. The dividend was maintained at 20 cents a share.

In an interim statement for the 1971 financial year it was reported that the financial position of the LTA group for the year ending 30th June 1971 could not be accurately assessed because of certain unresolved problems on civil engineering contracts. On a conservative basis substantial losses by the group are indicated.

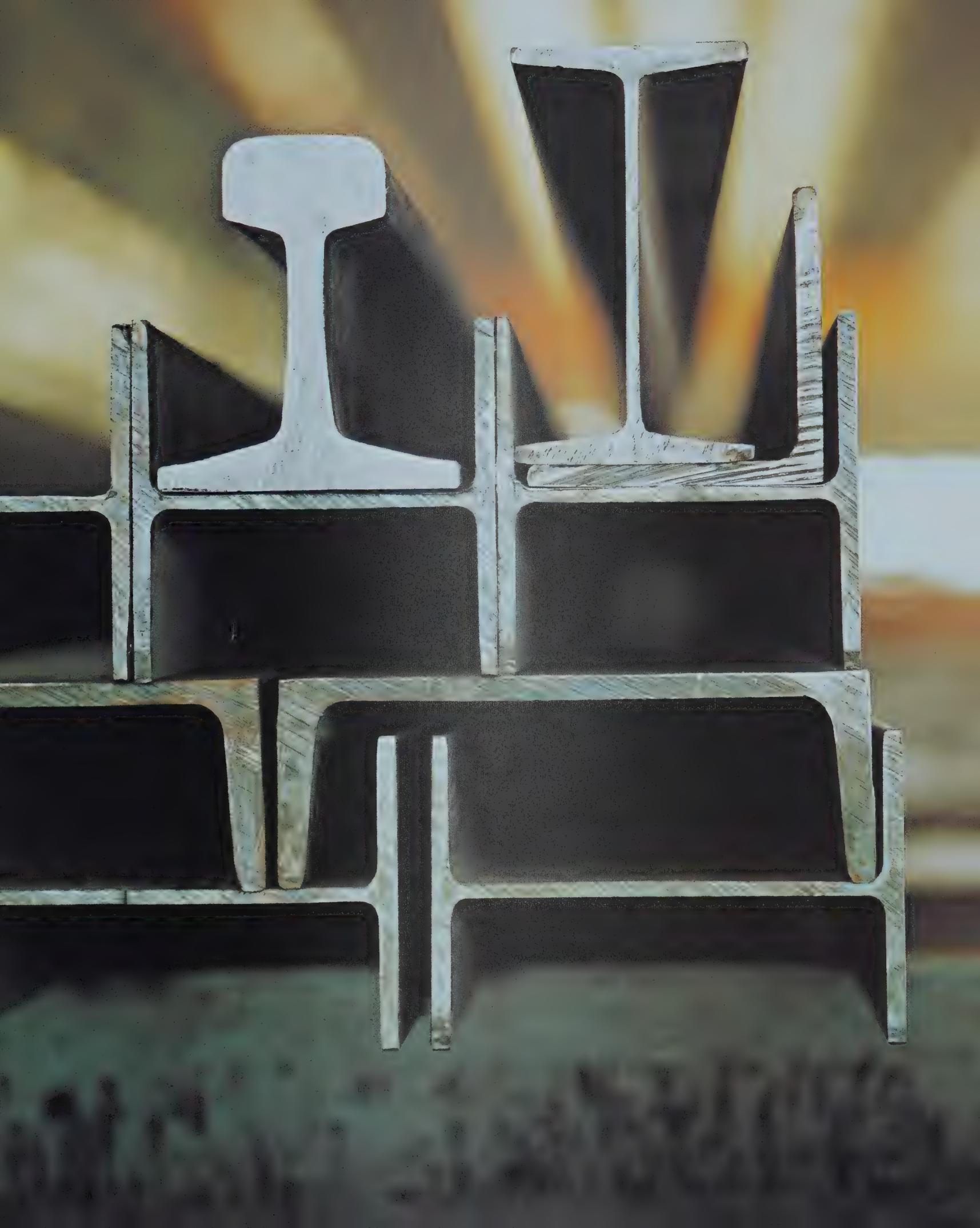
These problems, which were encountered during the 1970 financial year, are mainly attributable to costs rising much more rapidly than was anticipated at the time of tendering, and to a marked fall in labour productivity. Most of these contracts will be completed during the current calendar year.

The building industries division continued to show satisfactory growth and its results for the year are expected to be in accordance with the budget and in excess of the previous year's profitability. The order book of this division at 31st December 1970 exceeded R110 000 000 so that activity will be fully maintained through to 1972.

Work on the Cabo Bassa dam project in Mozambique, undertaken by the civil engineering consortium in which LTA has a 20 per cent interest, is on schedule and the contract has to date shown an excess of income over expenditure.

The reorganisation of the group's structure into divisions has been completed and the financial structure of the group is being given detailed consideration.

African Explosives and Chemical Industries Limited (AE and CI) had a particularly successful year. Profits attributable to the ordinary shareholders rose to R18 million (22.4 cents a share) from R13.7 million (17.1 cents a share) in 1969. The total dividend payment was raised by one cent a share to 14 cents a share. This increase in profits is largely the result of the continued improvement in plant efficiencies, a general lowering of unit costs because of higher sales volume, particularly in plastics, and the ability to contain overheads. Two major changes in the





structure of the AE and CI group took place in 1970. The fertilizer and phosphatic acid business was merged with Triomf Fertilizer and Chemical Industries Limited, and as a result, AE and CI owns 49 per cent of the new fertilizer operating company, Triomf Fertilizer (Proprietary) Limited. The AE and CI group's wholly-owned subsidiary, Dulux Limited, was merged with the paint interests of Protea Holdings Limited, and AE and CI has a 50 per cent interest in the new company, Prolux Paint Holdings (Proprietary) Limited. Both these mergers should lead to substantial rationalisation benefits in what are highly competitive industries.

Chemical Holdings Limited, which manufactures a variety of specialised chemicals for industry, agriculture and other fields, increased its sales by 16.5 per cent to R5.49 million in the year ended 30th June 1970. Profit after tax, however, declined by R52 396 to R251 684. The fall in profits was due to a reorganisation programme and to rising costs. The company is associated with Berk Limited in the United Kingdom and Tenneco Chemicals Inc. of the United States of America, who provide technical information on new developments in the chemical field.

Demand for the polyester and nylon fibres produced by South African Nylon Spinners (Proprietary) Limited (SANS) in which both Debincor and AE and CI have substantial interests, showed a satisfactory increase, and high utilisation of production capacity permitted material reductions in the selling prices of polyester yarns which are now competitive with the selling prices charged by the major international producers in their own domestic markets. It is, however, still difficult for SANS, despite the efficiency of its operations, to compete with goods landed in South Africa at decreased prices. Capacity of the polyester division was increased by 50 per cent during the year and, with increasing demand, plans are well advanced for further expansion of both polyester and nylon capacity.

Industex Limited showed a satisfactory improvement in consolidated profit for the year ended 30th June 1970, mainly as the result of record production in the tyrecord sections of the company's plant. To meet the growing demands for tyrecord in Southern Africa a large capital expenditure programme is being undertaken.

The consolidated net profit of Ropes and Mattings Holdings Limited (formerly Ropes and Mattings Limited) for the sixteen months ended 30th June 1970 amounted to R1.6 million, which is not comparable with the previous trading period because of the changes which took place when the company issued new shares in exchange for Sagov Afcol Investment Trust Limited shares. Ropes and Mattings' dependence on the processing of natural fibres was further diminished during the year.

South African Board Mills Limited improved its consolidated profit before tax by 32 per cent to more than R3 million in the year ended 30th April 1970. Subsequent substantial increases in

the costs of woodpulp, waste paper, services and labour have not been recouped and consequently profits generated in the current financial year will be adversely affected. Owing to drought conditions trading profits from the sugar division will decline from last year's record of R400 000. Installation of the R10.5 million board mill at Springs has been hampered by delays in deliveries of imported equipment and erection on site. Nevertheless the plant is expected to be in production in the third quarter of this year, when it should start making a material contribution to earnings.

Consolidated results for Forest Industries and Veneers Limited were considerably better than in the previous year because of the improved contribution by the wholly-owned subsidiary, Peak Timbers Limited. Conditions in the sawn-timber market remained favourable throughout 1970. Bruynzeel Plywoods Limited, in which Forest Industries has approximately a 20 per cent interest, reported a 10 per cent increase in profits before tax for the year ended 30th June 1970, in spite of rising costs and the disruption caused by the reorganisation of one of its major production plants. Eastern Transvaal Timber Company (Proprietary) Limited has started an afforestation programme for which additional land has been acquired.

McCarthy-Main Holdings Limited, in addition to completing its acquisition of a 15 per cent interest in Motor Assemblies Limited at Durban, increased its interest in Atkinson-Oates Motors Limited to just over 40 per cent. McCarthy-Main has also acquired a small interest in Lawson Motors Limited which, in turn, has obtained a 10 per cent interest in McCarthy-Main's subsidiary, Illings (Proprietary) Limited. Compared with the previous year the consolidated profits after tax of McCarthy-Main almost doubled to R967 000 in the year ended 30th June 1970.

Freight Services Holdings Limited showed all round improvement in the forwarding, clearing and agency business. Continued efforts are being made to provide the facilities required to meet the changing pattern of commercial transportation. The United Transport group of companies enjoyed a further year of growth and profits before tax for the group rose by R1.2 million to R2.7 million. Part of this increase reflects the progress of the passenger and freight companies in the group and part represents the profit accruing from acquisitions during 1970, particularly Vaal Transport Corporation (Proprietary) Limited.

Hulets Corporation Limited, formerly Hulets Sugar Corporation Limited, increased its issued share capital by the capitalisation of R3.4 million from the reserves. Consolidated profit for the year ended 30th April 1970 increased by R3.5 million to R5.7 million following the improved sugar price and crop. To further its diversification programme, Hulets is to erect a R5 million bagasse particle board plant next to the Amatikulu Sugar Mill. Production is scheduled for mid-1972.

The recovery in trading results of African Products Manufacturing Company Limited is reflected in the 44.7 per cent increase in net profits after tax for the year ended 30th September 1970 to R667 000. Dividends have been raised by three cents a share to a total of 12 cents a share for the year. Spare production capacity is available and the sales of the company's manufactured products of starch, cornflour, dextrin, glucose and other allied products, for industrial and domestic use, will show a further improvement in the current year.

Davelde Farms Limited has made considerable progress with its programme of developing the farms either acquired by it or from various Group companies since May 1969. The 1970 crop of Dawn Orchards Limited (formerly Dewhurst Farms) was about 30 per cent higher than in the previous season. The export market continued at satisfactory levels. Rhodes Fruits Limited, a leading grower and canner of high quality citrus fruit in the western Cape, had a particularly good year. Production of fresh fruit increased and higher prices were obtained for exports of canned goods to the United Kingdom. The storage facilities on the farms have been doubled in preparation for enlarging the area under orchards.

After a relatively smooth start, Dewhurst Fresh Foods Limited experienced severe difficulties during the second half of the year. It became necessary to make far-reaching organisational changes, the benefits of which are slowly beginning to take effect, and will require much longer than originally anticipated to return the company to a satisfactory trading basis.

Another increase in the production of cashew nuts was achieved by Industrias de Caju Mocita Limitada (Mocita) at Vila do Mozambique. The market continued firm throughout the year at higher levels than in 1969. Sales were made to 15 countries and the entire production was disposed of without difficulty. Demand. Profits reached a new record. A second factory at Antonio Enes, north of Beira, has recently been completed by Industrias de Caju Antenes S.A.R.L. in which Mocita has a controlling interest. The production from this new factory will also be sold under the brand name of 'Mocita'.

The major industrial and business interests of Zamanglo Industrial Corporation Limited (ZAMIC) comprise a 24.5 per cent holding in Zambia Breweries Limited, 29.5 per cent in Contractual Holdings Limited which has substantial interests in a number of industrial companies, 8.4 per cent in Chilanga Cement Limited, the only cement producer in Zambia, and 28.5 per cent in Zambia Clay Industries Limited, which produces salt-glazed clay pipes and fittings as well as standard and face bricks. Other industrial and business interests are copper fabrication, the production of truck, car and bicycle tyres, welding electrodes, potable spirits, banking and an hotel. The company's farming interests are held through its wholly-owned subsidiary Mushili Limited which operates a number of farms on the Copperbelt.

Mushili has embarked on a substantial expansion programme to increase milk, vegetable and beef production and on a scheme to train Zambians as dairy farmers. ZAMIC made a profit for the six months to 31st December 1970 of K444 000 and has declared a maiden interim dividend of K250 000.

Computer Sciences S.A. Limited (CSSA), in which the Group is partnered by Computer Sciences Corporation of the U.S.A., has been awarded a two-and-a-half year contract to consolidate four data processing centres of Anglo American Corporation, Union Acceptances, AE and CI and Mitac into a centralised centre which is expected to achieve considerable savings in costs. CSSA provides professional services in South Africa in the development and implementation of computer-based systems and in May 1971, will commission a sophisticated computer time-sharing system, INFONET, on a country-wide basis. INFONET is established in several centres of the U.S.A. and in Canada and has recently been commissioned in Australia. CSSA has acquired Maxpol Computer Services (Proprietary) Limited, which provides transaction control and accounting services to brokers of The Johannesburg Stock Exchange. This system, which is well regarded, is to be expanded primarily in the direction of on-line and time-sharing facilities for the financial community, offered through the INFONET network.

*Further details of the principal industrial and commercial companies in which the Group holds shares are given on pages 81 to 85.*

## Property

### *Amaprop's debenture issue oversubscribed*

The total cost of projects planned or being undertaken by property companies now administered by the Corporation is in excess of R200 million. Towards the end of 1970 City Developments Limited, a quoted property company managed by the Union Acceptances group, acquired through an exchange of shares the entire issued capital of Anglo American Property Investments Limited, which was formed early in 1970 to hold a major portion of the Group's property investments. At the same time the name of City Developments was changed to Anglo American Properties Limited (AMAPROP). Subsequently the administration of the enlarged company was taken over by the Corporation. AMAPROP had tangible net assets which for the purpose of the merger were valued at R52 million. Its property portfolio is well diversified both as to type and geographic location.



AMAPROP has interests in existing properties and in large development projects still under construction in several South African cities, including nine city-centre office and shopping complexes, two hotels, two large shopping centres and seven apartment blocks. In addition, it has an interest in Main Place Holdings Limited which is planning an office development on a four-hectare site in Johannesburg. AMAPROP also controls township developments in Natal and the Cape Province covering over 1 000 hectares and has indirect interests in other townships of more than 7 300 hectares in the Cape. It has a one-half interest in a lease-back company in Durban holding central city properties, some of which may be redeveloped in the future.

AMAPROP raised R15 million in November 1970 by an issue of 10 per cent first mortgage debentures—1983/1998 which was oversubscribed. The purpose of the issue was to provide finance to repay certain loans and for property development schemes and new business.

In the Cape Province AMAPROP's principal interests are held through Creative Homes Limited in which control is shared with Ovenstone South West Investments Limited. Creative Homes has extensive township holdings under development, particularly in the coastal regions from East London to Cape Town and in the Cape Peninsula. The company operates a property broking agency and has interests in two building construction companies in Cape Town, specialising in residential construction.

Planning of the proposed marina at Muizenberg is proceeding. The Cape Town City Council has agreed to certain land exchanges essential to the project, which have been approved in principle by the Cape Provincial Administration. An application for the establishment of a township covering the first stage of development on approximately 48 hectares of land has been submitted to the authorities.

A wholly-owned subsidiary of AMAPROP owns a new 13-storey office block on an 800 square metre site in the main business area of Port Elizabeth. The building, known as Union Acceptances House, consists of two floors of shops and 11 floors of offices.

In the Transvaal progress was made on several projects. In September 1970, the below-ground parking area of the Carlton Centre complex, which occupies five-and-a-half city blocks in central Johannesburg, was officially opened, providing parking space for 900 cars. The Parkade, with a further 600 parking bays, was opened in April 1971. Eventually there will be parking space at Carlton Centre for 2 000 cars. The shopping areas and portions of the low-rise section of the office tower are expected to be occupied in the second half of 1971, to be followed in 1972 by the opening of the exhibition hall, the hotel and the rest of the office tower. Construction continues to be hindered by manpower shortages.

Subject to the necessary re-zoning approval being obtained,

AMAPROP in association with African Explosives and Chemical Industries Limited plans to establish a commercial and residential township on farming land at Edenvale Hill, north-east of Johannesburg. The first phase will be the establishment of a regional shopping centre covering 30 000 square metres with provision for expansion to 55 000 square metres on an 81-hectare site close to the proposed Johannesburg eastern by-pass.

A 19-storey office and shopping development on a 2 331 square metre site in Braamfontein, Johannesburg, is in the course of construction. The office block, consisting of 16 floors of offices and 10 shops, will be completed early in 1972. A six-storey hotel with a three star grading which forms part of the development was completed during 1970 and is leased to The South African Breweries group.

Amcor House and Edura, two fully-let buildings in the central business district of Johannesburg, are wholly owned by AMAPROP. The buildings together comprise 28 470 square metres of office space and 5 292 square metres of retail space.

In Natal further auctions of stands at La Lucia, approximately 13 kilometres north of Durban, were held in April and July 1970 and 126 stands in the first inland extension were sold at satisfactory prices. Plans for the establishment of a 5 100 square metre shopping centre at La Lucia have been postponed as the application for the necessary building permit was refused for a period of three years.

The township plan of Prospecton, an industrial township 19 kilometres south of Durban, was approved during 1970 and a further 24 hectares were sold, making a total of 90 hectares sold so far and leaving 132 hectares available for sale.

A holiday apartment complex is being built on a three-hectare site at Umhlanga Rocks, 16 kilometres north of Durban. The 15-storey main tower will contain six luxury penthouses and 178 apartments. The beachfront cabanas, which were completed in December 1970, are in great demand. The main tower should be available for occupation in the second half of 1972.

Two large shop and office complexes are being developed in the centre of Durban. National Board House, a fully air-conditioned 30-storey block, comprising approximately 18 600 square metres of office space, 1 700 square metres of retail shopping space and a parking garage for 300 cars, is expected to be completed in 1973. A 30-storey complex on a 5 600 square metre site will have a total lettable area of 41 300 square metres of which approximately one-fifth will be for shops. The low-rise section of the office tower will become available in stages from mid-1972 and the entire development is expected to be completed in 1973.

During 1970, South African Townships Mining and Finance Corporation Limited sold by public auction 80 special residential stands in Bryanston Extension 3. The proclamation of this

extension is expected in the near future and the remaining land, totalling 91 hectares, should provide the main source of revenue from stand sales over the next few years.

Cecelia Park (Proprietary) Limited, a wholly-owned subsidiary of S.A. Townships, is developing a 6 500 square metre shopping complex in Bryanston. A garage and service station was opened for business in December 1970 and by 31st March 1971 more than 75 per cent of the retail space had been let.

On 1st March 1971, the Corporation took over from the Union Acceptances group the administrative responsibilities for Land Investment and Development Corporation Limited (Lidcor) and Retail and General Properties Limited. Lidcor was formed in 1968 to follow an investment policy directed at obtaining a higher than average growth potential. It has a portfolio of investments valued at R10.8 million. Retail and General specialises in the development of shopping centres and holds investments in relatively small city properties. It has investments valued at R7.8 million.

*Further details of the property companies in which the Group holds shares are given on page 86.*

## Prospecting

### Increased emphasis on base metals

During the year the Group continued active programmes of geological investigation in many parts of the world. The search for gold, coal, copper and other minerals of traditional interest was maintained, and there was increasing emphasis on nickel and the base metals generally.

Southern and Central Africa continue to be the main areas of activity and several interesting projects are under way. In South Africa an airborne geophysical survey has been completed in the Prieska, Kenhardt and Upington areas of the Northern Cape, where options over large areas are held. Field work is now being done to examine base metal anomalies located from the air.

The Corporation, jointly with the International Nickel Company of Canada Limited, is conducting a prospecting programme in the north-western Transvaal, mainly for nickel. Follow-up ground work is being carried out on geophysical anomalies disclosed by an airborne survey and limited drilling is being done.

Prospecting for gold and uranium has continued. The investigation of the uranium potential of the Dominion Reefs series in the western Transvaal has been completed and certain

options have been given up. In the area west of Brandfort in the Orange Free State a drilling programme is under way to locate possible extensions of the Witwatersrand system in which the gold-bearing reefs of the Transvaal and Orange Free State mining areas occur.

Apart from these projects the main activity in South Africa during the year was in coal, where efforts were concentrated on proving reserves of low-ash coal from known deposits. Exploration for new sources of metallurgical and steam coal was continued and the encouraging results obtained in some areas are being followed up.

In Botswana the Corporation has an option over the Tati concession, in the north-east, and has mounted a major exploration programme to assess copper/nickel mineralisation in the area. Extensive drilling is in progress east of Francistown to delineate ore reserves at two localities. Nearby, in the Tuli Block, general prospecting continues.

A participation has been maintained in the prospecting programme of Anglo Transvaal Consolidated Investment Company Limited in north-west Botswana and south-east of Windhoek in South West Africa. In the latter area, a diamond drilling programme has been undertaken to explore copper showings located by surface trenching. The results are being examined to determine the future programme.

In Mozambique, the Corporation has an interest of just under 40 per cent in a company formed by Johannesburg Consolidated Investment Company Limited to prospect for base metals in an area of approximately 24 000 square kilometres in the Tete district. Field parties are actively engaged in mapping and preliminary geological exploration.

The Corporation retains its interest in three oil exploration ventures in Southern Africa. In Mozambique, prospecting rights held by the Corporation, Société Nationale des Petroles d'Aquitaine (SNPA), and Gelsenberg Aktiengesellschaft have been renewed for a further three years over a concession area of 45 700 square kilometres. Although the results of a drilling programme of three wells in the southern block were negative, with only minor gas recordings being made, useful stratigraphic information was obtained. During 1971, activity will be concentrated mainly in the northern blocks where seismic surveying is in its final stages. Several geological structures of potential interest have been delineated, both on-shore and off-shore, which will be tested with deep wells. In South West Africa SNPA and De Beers Oil Holdings (S.W.A.) (Proprietary) Limited hold the Block 2 concession area and the adjacent 26 000 square kilometres in the Gordonia district of the northern Cape. Based on the results of a seismic reconnaissance survey and on earlier geological field work and magnetic surveys, the 1971 programme entails the drilling of a deep stratigraphic test well in the central part of Block 2. In Angola in the Cuanza Basin oil concessions,



where the Corporation is a participant in a South African consortium that holds a 25 per cent interest, further development drilling took place in the Quenguela North producing field. Activities were directed principally towards evaluating, by systematic surveying and drilling, the southern on-shore areas, prior to the compulsory relinquishment of parts of the concession in 1971, when a further contract will be negotiated and an exploration programme formulated. This is likely to include further drilling in the off-shore area where interesting geological structures have been delineated.

In Malagasy, the drilling programme carried out in the Ankera area some 85 kilometres from Tamatave by Société Civile de Prospection de Nickel à Madagascar (PRONIMA) proved disappointing and no further work will be undertaken. During 1971 follow-up work will be carried out on three nickel/copper anomalies elsewhere in this concession area. Results of preliminary drilling completed by the Groupement d'Etudes du Nickel de Moramanga, a syndicate in which the Corporation has a substantial interest, on the lateritic nickel deposit of Moramanga have been sufficiently encouraging to warrant detailed drilling of the entire area to establish the extent and grades of the deposit. Investigation of two nickel/copper anomalies at Vongoa has not proved encouraging and no further work will be done there. A joint venture for nickel known as Vohemar between PROMINA and Société Civil D'Etude et de Recherche du Minerai de Nickel à Madagascar (SONIMAD) in an area of 10 000 square kilometres in the north of the island is now getting under way.

In Rhodesia, the broad geological investigation of the Great Dyke was completed and areas of interest were pegged for detailed study. Prospecting for nickel continued on claims previously pegged or under option and in exclusive prospecting areas covering approximately 6 000 square kilometres. Work on copper, clay and other minerals was also undertaken. A well equipped laboratory has been built in Salisbury to provide facilities for geological analysis.

In Zambia, Anglo American Corporation (Central Africa) Limited and Zamanglo Exploration Limited, possibly with other partners, are planning to prospect 14 areas, covering about 14 000 square kilometres, which were retained by the Group after large areas had been relinquished in terms of the Zambian Mines and Minerals Act. These are considered to have the most potential of all the areas previously held.

In Canada, Anglo American Corporation of Canada Limited (AMCAN) continued its joint exploration programme with Hudson Bay Exploration and Development Co. Limited in the Yukon Territory, British Columbia, Ontario and Quebec. Various anomalies have been tested by surface diamond drilling and certain base metal deposits have been investigated, none of which has proved to be of economic significance.

AMCAN, with Mexican partners, continued the search for

porphyry-type copper deposits in the State of Sonora, where a geochemical survey over 40 square kilometres yielded anomalies which will be further investigated by drilling.

Prospecting operations in Australasia, conducted jointly by the Corporation and Charter Consolidated Limited, in some cases in partnership with other companies, have continued. Most of the work was again centred in Western Australia where the Corporation is involved in eight ventures, six of which it manages. During the year, mineralisation of possible economic interest has been located in two separate areas of Western Australia. In the Pilbara region, base metal mineralisation intersected by drilling will be examined in detail during 1971. A small body of disseminated nickel sulphides has been outlined near Kalgoorlie, in an area known as The Black Swan which warrants further drilling. An agreement has been entered into with Pacific Island Mines Limited and Planet Gold Limited to explore an area in the Durack Ranges region of Western Australia for base metals, with the Corporation being entitled to a 51 per cent interest in any mines established there.

Charter continued its prospecting activities in various parts of the world. Because of political developments, operations in certain South American countries have been considerably curtailed. In September 1970, an international consortium, led by Charter, concluded two agreements with the Government of the Democratic Republic of the Congo to carry out confirmatory drilling and a feasibility study of important known copper occurrences in the Tenke Fungurume area of Katanga, and to explore for copper and other minerals in extensive and promising areas bordering the concession held by GECOMIN, the Congolese state mining company.

Charter is also engaged in exploration projects in many other parts of the world, including the United Kingdom, the Iberian Peninsula, the Far East and Iran.

## General

We report with deep regret the death of Mr C. W. Engelhard on 2nd March 1971. Mr Engelhard had been a director of the Corporation since December 1960 and a member of the executive committee since December 1966. He contributed much to the development of the South African mining industry as a whole and his expertise will be greatly missed.

We further record with deep regret the death on 15th Novem-

ber 1970 of Mr H. C. Koch, who resigned from the board on his retirement on 31st December 1969. He had served as a director for over 13 years.

Mr M. B. Hofmeyr and Mr J. Ogilvie Thompson, who were appointed directors of the Corporation on 1st January 1970, retired from the board in terms of the Corporation's articles of association at the annual general meeting held on 12th June 1970 and were re-elected directors at that meeting.

Mr H. MacConachie resigned from the board on his retirement on 30th September 1970. He had been with the Corporation for 42 years and was appointed to the board as technical director in 1966. Mr W. S. Gallagher was appointed technical director on 1st October 1970.

The Honourable H. A. V. Smith resigned from the board on 31st December 1970 after 23 years service as a director of the Corporation.

Mr W. D. Wilson was appointed a joint deputy chairman on 31 December 1970.

In terms of the Corporation's articles of association, Mr W. S. Gallagher retires at the forthcoming annual general meeting. In addition Sir Frederick Crawford, Mr G. C. Fletcher, Sir Philip Oppenheimer, Mr G. W. H. Relly, Mr J. W. Shilling and Mr S. Spiro retire by rotation. The retiring directors are all eligible for re-election.

Details of changes in the boards of the Corporation's subsidiary companies and, where appropriate, details of special

resolutions passed by subsidiary companies appear on pages 87 and 88 of this report.

In terms of sub-section 10 of section 70 of the South African Companies Act, Mr H. F. Oppenheimer is deemed to be interested in 13 022 460 ordinary shares of the Corporation, of which 565 350 are registered in his name. Mr Oppenheimer is also deemed to be interested in 1 000 preference shares in African Loans and Investments Limited, and 121 350 shares in Anglo American Prospecting Company Limited, which are subsidiaries of the Corporation.

The interests of the remaining directors do not in the aggregate in respect of either share capital or voting control exceed five per cent of the Corporation or either of the subsidiaries referred to above. The aggregate interests of the directors in other subsidiaries do not exceed five per cent. The Corporation is not aware of the extent, if any, of the directors' family interests.

The register of directors' shareholdings in the Corporation and its subsidiaries will be open for inspection at the forthcoming annual general meeting.

The directors of the Corporation wish to thank all members of the staff of its various offices for the loyal and efficient service given during the year.

**CHAIRMAN'S STATEMENT** A statement by the Chairman of the Corporation, Mr H. F. Oppenheimer, will be sent to members before the date of the annual general meeting.

H. F. OPPENHEIMER, *Chairman*  
KEITH ACUTT  
D. O. BECKINGHAM  
F. S. BERNING  
E. T. S. BROWN  
FREDERICK CRAWFORD  
G. C. FLETCHER  
W. S. GALLAGHER  
M. B. HOFMEYR  
PHILIP OPPENHEIMER  
G. W. H. RELLY  
ALBERT ROBINSON  
M. W. RUSH  
J. W. SHILLING  
S. SPIRO  
J. OGILVIE THOMPSON  
G. H. WADDELL  
D. A. B. WATSON  
W. D. WILSON

*Directors*

# **Accounts**

Auditors' report	42
Features of the consolidated accounts	43
Consolidated balance sheet	44
Consolidated profit and loss account	46
Profit and loss account	47
Balance sheet	48
Notes on the accounts	50
Financial statistics	52

## Auditors' report

To the members,  
Anglo American Corporation of South Africa Limited

We have examined the books and accounts and vouchers of the Corporation and have satisfied ourselves of the existence of the securities. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Corporation, so far as appears from our examination of those books, and proper returns, adequate for the purpose of our audit, have been received from the Corporation's London and Salisbury offices.

The attached balance sheet and profit and loss account are in agreement with the books of account and returns. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read in conjunction with the notes that follow the accounts, give the information required by the Companies Act, 1926, as amended, in the manner so required, the balance sheet gives a true and fair view of the state of the Corporation's affairs as at 31st December 1970, and the profit and loss account gives a true and fair view of the profit for the year ended on that date.

We have also examined the annexed consolidated balance sheet and consolidated profit and loss account of the Corporation and its subsidiary companies with the audited accounts of those companies. In our opinion such consolidated accounts have been properly prepared in accordance with the provisions of the Companies Act, 1926, as amended, so as to give a true and fair view respectively of the state of affairs and of the profit of the Corporation and its subsidiaries so far as concerns the members.

We agree with the decision of the directors not to consolidate the accounts of Engelhard Hanovia Inc., and its subsidiary companies with the accounts of the Corporation for the reason given in note 6.

ALEX. AIKEN & CARTER  
GOLDBY, PANCHAUD & WEBBER      *Chartered Accountants (S.A.)*

JOHANNESBURG  
3rd May 1971

## Features of the consolidated accounts

	1970	1969	1968
	R	R	R
<b>Issued ordinary capital and reserves</b>	<b>271 283 000</b>	<b>283 362 000</b>	<b>237 050 000</b>
<b>Book value of quoted investments</b>	<b>224 239 000</b>	<b>266 496 000</b>	<b>179 684 000</b>
<b>Market value of quoted investments</b>	<b>605 514 000</b>	<b>780 517 000</b>	<b>873 710 000</b>
<b>Book value of unquoted investments</b>	<b>83 096 000*</b>	<b>78 021 000</b>	<b>82 645 000</b>
<b>Investment income</b>	<b>39 213 000</b>	<b>36 878 000</b>	<b>30 250 000</b>
<b>Equity earnings after tax</b>	<b>38 692 000</b>	<b>39 024 000</b>	<b>32 720 000</b>
<b>Equity earnings per share</b>	<b>29.8 cents</b>	<b>27.8 cents†</b>	<b>26.9 cents†</b>
<b>Dividend per ordinary share</b>	<b>16 cents</b>	<b>15 cents</b>	<b>14 cents</b>
<b>Total ordinary dividend</b>	<b>20 771 000</b>	<b>19 771 000</b>	<b>18 175 000</b>
<b>Number of issued ordinary shares</b>	<b>129 820 400</b>	<b>129 820 400</b>	<b>129 820 400†</b>

\*Excluding investment in subsidiary companies not consolidated

†Adjusted for share subdivision on 13th June 1969 of R1 shares into 10 cent shares, for purposes of comparison

# Consolidated balance sheet 31st December 1970

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED AND SUBSIDIARY COMPANIES

	1969			R	R		R	R	R
<b>Capital</b>									
Authorised:									
14 000 000									
1 241 000									
4 759 000									
	<u>20 000 000</u>								
Issued (note 1)									
12 982 000									
4 759 000									
	<u>17 741 000</u>								
<b>Share premium</b>									
Less—excess of written-down cost of shares in subsidiary companies over book value of net assets at the dates of acquisition									
8 444 000									
	<u>65 621 000</u>								
<b>Capital reserve</b>									
<b>Revenue reserves (note 2)</b>									
General reserve									
Unappropriated profit									
169 019 000									
2 969 000									
	<u>171 988 000</u>								
258 121 000									
<b>Loan capital (note 3)</b>									
Registered bonds									
Loans for investment abroad									
Registered unsecured notes									
33 820 000									
	<u>291 941 000</u>								
46 058 000									
192 353 000									
<b>Creditors</b>									
Preferred stock dividend No. 83 and ordinary dividend No. 69									
Taxation									
Sundry									
14 423 000									
1 985 000									
11 768 000									
	<u>28 176 000</u>								
<b>R558 528 000</b>									
<b>R579 078 000</b>									

J. T. Goldfinch, *Managing Secretary*  
A. W. Mollatt, *Treasurer*

Johannesburg, 3rd May 1971

For notes see pages 50 and 51

*Directors:* H. F. Oppenheimer  
Keith Acutt  
W. D. Wilson

# Consolidated profit and loss account for the year 1970

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED AND SUBSIDIARY COMPANIES

	R	R	1969	R	R
Income from interest, fees and other sources after deducting administration expenses . . . . .		25 991 000			20 390 000
Income from investments . . . . .		39 213 000			33 879 000
<i>Surplus on realisation of investments, less amounts written off investments . . . . .</i>		—			1 878 000
			65 204 000		56 147 000
<i>Deduct:</i>					
Interest paid:					
Loan capital . . . . .	1 527 000		891 000		
Loans by associated companies and others . . . . .	10 534 000		7 998 000		
	12 061 000		8 889 000		
Expenditure on office, research and transport equipment . . . . .	802 000		1 016 000		
Contributions to staff pension funds . . . . .	829 000		754 000		
Costs of prospecting . . . . .	5 440 000		4 295 000		
<i>Provision against loans . . . . .</i>	—		500 000		
Amounts written off investments, less surplus on realisation of investments . . . . .	1 388 000		—		
<b>Group profit, before taxation . . . . .</b>		20 520 000			15 454 000
Provision for taxation (note 9) . . . . .		44 684 000			40 693 000
<b>Group profit, after taxation . . . . .</b>		3 908 000			3 224 000
		40 781 000			37 469 000
<i>Deduct:</i>					
Minority interests in subsidiary companies . . . . .		1 803 000			959 000
<b>Group profit, after taxation, attributable to Anglo American Corporation of South Africa Limited . . . . .</b>		38 978 000			36 510 000
<b>Appropriations</b>					
Dividends:					
<i>On preferred stock:</i>					
No. 82 of three per cent, declared 8th June 1970 . . . . .	143 000		143 000		
No. 83 of three per cent, declared 10th December 1970 . . . . .	143 000		143 000		
<i>On ordinary shares:</i>					
No. 68 (interim) of 5c per share, declared 24th September 1970 . . . . .	6 491 000		6 491 000		
No. 69 (final) of 11c per share, declared 25th March 1971 . . . . .	14 280 000		14 280 000		
	21 057 000		21 057 000		
<i>Capital reserve</i> . . . . .	—		1 400 000		
General reserve . . . . .	15 000 000		14 000 000		
		36 057 000			36 457 000
<i>Add: Unappropriated profit, 31st December 1969 . . . . .</i>		2 921 000			53 000
		2 969 000			2 916 000
<b>Unappropriated profit, 31st December 1970 . . . . .</b>		R5 890 000			R2 969 000

For notes see pages 50 and 51

# Profit and loss account for the year 1970

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

	R	R	R	R	1969
Income from interest, fees and other sources after deducting administration expenses . . . . .	17 140 000				16 177 000
Income from investments . . . . .	28 777 000				28 861 000
<i>Surplus on realisation of investments, less amounts written off investments . . . . .</i>		—			1 446 000
		45 917 000			46 484 000
<i>Deduct:</i>					
Interest paid:					
Loan capital . . . . .	1 527 000				891 000
Loans by associated companies and others . . . . .	8 998 000				7 190 000
	10 525 000				8 081 000
Expenditure on office, research and transport equipment . . . . .	614 000				904 000
Contributions to staff pension funds . . . . .	696 000				632 000
Costs of prospecting . . . . .	3 438 000				3 004 000
<i>Provision against loans . . . . .</i>	—				353 000
Amounts written off investments, less surplus on realisation of investments . . . . .	323 000				—
	15 596 000				12 974 000
<b>Profit, before taxation . . . . .</b>	<b>30 321 000</b>				<b>33 510 000</b>
Provision for taxation (note 9) . . . . .	1 520 000				1 487 000
<b>Profit, after taxation . . . . .</b>	<b>28 801 000</b>				<b>32 023 000</b>
<b>Appropriations</b>					
Dividends:					
<i>On preferred stock:</i>					
No. 82 of three per cent, declared 8th June 1970 . . . . .	143 000				143 000
No. 83 of three per cent, declared 10th December 1970 . . . . .	143 000				143 000
<i>On ordinary shares:</i>					
No. 68 (interim) of 5c per share, declared 24th September 1970 . . . . .	6 491 000				6 491 000
No. 69 (final) of 1½c per share, declared 25th March 1971 . . . . .	14 280 000				14 280 000
	21 057 000				21 057 000
General reserve . . . . .	7 500 000				11 000 000
	28 557 000				32 057 000
<i>Add: Unappropriated profit, 31st December 1969 . . . . .</i>	244 000				—34 000
	437 000				471 000
<b>Unappropriated profit, 31st December 1970 . . . . .</b>	<b>R681 000</b>				<b>R437 000</b>

For notes see pages 50 and 51

# **Balance sheet 31st December 1970**

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

R	R	R	R
	<b>Capital</b>		
	Authorised:		
14 000 000	140 000 000 ordinary shares of 10 cents each . . . . .	14 000 000	
1 241 000	1 241 250 six per cent cumulative preference		
4 759 000	shares of R1 each . . . . .	1 241 000	
	R4 758 750 six per cent cumulative preferred stock . . . . .	4 759 000	
		<u>20 000 000</u>	
	Issued (note 1)		
12 982 000	129 820 400 ordinary shares of 10 cents each, fully paid . . .	12 982 000	
4 759 000	R4 758 750 six per cent cumulative preferred stock . . . . .	4 759 000	
		<u>20 000 000</u>	
17 741 000		17 741 000	
74 065 000		74 065 000	
	<b>Share premium</b> . . . . .		
	<b>Revenue reserves</b> (note 2)		
135 000 000	General reserve . . . . .	142 500 000	
437 000	Unappropriated profit . . . . .	681 000	
		<u>143 181 000</u>	
135 437 000		234 987 000	
227 243 000			
7 023 000		7 023 000	
26 701 000		26 701 000	
96 000		92 000	
		<u>33 816 000</u>	
33 820 000			
261 063 000		268 803 000	
	<b>Loan capital</b> (note 3)		
8 706 000	Registered bonds . . . . .	7 023 000	
170 119 000	Loans for investment abroad . . . . .	26 701 000	
	Registered unsecured notes . . . . .	92 000	
		<u>33 816 000</u>	
178 825 000			
	<b>Loans</b>		
	Subsidiary companies . . . . .	13 092 000	
	Associated companies and others . . . . .	162 934 000	
		<u>176 026 000</u>	
	<b>Creditors</b>		
14 423 000	Preferred stock dividend No. 83 and ordinary dividend No. 69	14 423 000	
143 000	Taxation . . . . .	208 000	
9 228 000	Sundry . . . . .	5 844 000	
		<u>20 475 000</u>	
23 794 000			
	<i>R463 682 000</i>		
		<i>R465 304 000</i>	

J. T. Goldfinch, *Managing Secretary*  
A. W. Mollatt, *Treasurer*

Johannesburg, 3rd May 1971

For notes see pages 50 and 51

*Directors:* H. F. Oppenheimer  
Keith Acutt  
W. D. Wilson

# Notes on the accounts

The accounts should be read in conjunction with the following notes:

## 1 Share capital

The unissued capital comprises 10 179 600 ordinary shares of ten cents each and 1 241 250 six per cent cumulative preference shares of R1 each. Of the unissued ordinary shares 1 500 000 have been placed at the disposal of the directors, acting through trustees, for a share option scheme for senior members of the staff.

The following options were granted in August 1969 at 650 cents per share for ten years or until retirement whichever is the earlier:

Balance at 31st December 1969	378 500
Deduct options which lapsed during the year	<u>34 000</u>
Leaving shares under option at 31st December 1970	<u>344 500</u>

The remaining 8 679 600 unissued shares are under the unrestricted control of the directors in terms of resolutions of members.

## 2 Revenue reserves

The revenue reserves do not take into account the value of office, research and transport equipment, the cost of which is written off on acquisition.

## 3 Loan capital

### (a) Five per cent registered bonds

The loan of Swiss francs 43 017 000 (R7 023 000) is represented by 43 017 bonds of 1 000 Swiss francs each and is redeemable at par in four equal annual instalments on 15th July in each of the years 1971 to 1974. The servicing and redemption of the bonds are covered by forward exchange contracts with the South African Reserve Bank.

### (b) Loans for investment abroad

- (i) A loan of U.S. \$9 529 000 (R6 807 000) bears interest at the rate of 6.96 per cent per annum and is repayable between 1978 and 1982, subject to minor repayments of U.S. \$104 000 each year from 1973 to 1977 inclusive. The Corporation may, in certain circumstances, make repayment earlier.
- (ii) A loan of Swiss francs 50 000 000 (R8 289 000) bears interest at the rate of  $7\frac{3}{4}$  per cent per annum and is repayable on 23rd December 1972.
- (iii) A loan facility was fully drawn in the amount of U.S. \$16 273 000 (R11 605 000) bearing interest at the rate of  $8\frac{3}{4}$  per cent per annum. The facility expired on 29th January 1971 but was renewed until 28th January 1972 at an interest rate of  $7\frac{1}{2}$  per cent per annum.

### (c) Five-and-three-quarter per cent registered unsecured notes

The notes outstanding at 31st December 1970 amount to R92 000 and are repayable at par on 31st March 1982 unless previously purchased or redeemed in accordance with the note conditions.

## 4 Minority interests

The interest of minority shareholders in subsidiary companies amounted to R61 501 000 at 31st December 1970. This does not take into account a shortfall of R67 000 (1969: excess of R2 819 000) attributable to minority shareholders in respect of the amount by which the book value of quoted investments held by subsidiaries exceeds their market value.

## 5 Contingent liabilities and commitments

### (a) There are contingent liabilities in respect of:

- (i) A guarantee with others to a diamond mining company in respect of an agreement which that company has with The Diamond Corporation Limited. The Corporation's liability has, however, been fully counter-guaranteed.
- (ii) Guarantees with De Beers Consolidated Mines Limited in respect of the servicing and repayment of foreign loans to Highveld Steel and Vanadium Corporation Limited of Deutschemarks 100 000 000, U.S. \$20 000 000 and Swiss francs 65 000 000 (1969: D.M. 160 000 000 and U.S. \$20 000 000). The servicing and repayment of the loans are covered by forward exchange contracts with the South African Reserve Bank.
- (iii) Guarantees given by the Corporation totalling R7 089 000 (1969: R7 040 000) and by subsidiary companies totalling R21 000 (1969: R3 840 000) for the fulfilment of other contractual obligations.

### (b) There are commitments in respect of undertakings to subscribe or procure subscriptions for shares in and to make loans to other concerns.

## 6 Investment in subsidiary companies not consolidated

(See directors' report).

This figure represents the Corporation's interest in the Engelhard Hanovia group.

These companies have not been consolidated with the accounts of the Corporation as the arrangements for the reorganisation and redisposition of certain of the subsidiary companies and assets of the Engelhard Hanovia group have not yet been completed. The directors are of the opinion that if the companies were consolidated the result would be misleading. The net profit for the year of the Engelhard Hanovia group, so far as it affects members of the Corporation, is not material. At 31st December 1970 the directors value this investment at R46 500 000.

## **7 Property, mineral rights, prospecting expenditure and equipment**

The amount of R10 645 000 shown on the consolidated balance sheet under this heading comprises the following:

	1970	1969
	R	R
Fixed assets—land, buildings and fixed improvements at cost, or net book value 1st January 1953 . . . . .	8 231 000	8 067 000
Mining and other properties, mineral rights, trading rights and prospecting expenditure at cost less amounts written off . . . . .	2 414 000	2 233 000
Office, research and transport equipment—written off . . . . .	—	—
	<u>R10 645 000</u>	<u>R10 300 000</u>

No depreciation of fixed assets has been provided during the year.

## **8 Directors' remuneration**

The aggregate amount payable to directors by the Corporation and its subsidiary companies is as follows:

	1970	1969
	R	R
Directors' fees . . . . .	80 000	80 000
Other emoluments . . . . .	<u>732 000</u>	<u>699 000</u>
	<u>R812 000</u>	<u>R779 000</u>
Pensions of past directors for services in a managerial capacity . . . . .	<u>R16 000</u>	<u>R13 000</u>

## **9 Provision for taxation**

Provision for taxation has been made as follows:

	1970		1969	
	Corporation	Group	Corporation	Group
	R	R	R	R
South African . . .	1 260 000	1 468 000	1 200 000	1 465 000
Foreign . . . . .	<u>188 000</u>	<u>2 363 000</u>	<u>278 000</u>	<u>1 721 000</u>
	<u>1 448 000</u>	<u>3 831 000</u>	<u>1 478 000</u>	<u>3 186 000</u>
Net adjustment in respect of previous year . . .	<u>72 000</u>	<u>72 000</u>	<u>9 000</u>	<u>38 000</u>
	<u>R1 520 000</u>	<u>R3 903 000</u>	<u>R1 487 000</u>	<u>R3 224 000</u>

## **10 Currency conversion**

Foreign currencies have been converted at the approximate rates of exchange ruling at 31st December 1970.

**Financial statistics from the consolidated accounts  
for the ten years to 1970**

	Number of issued ordinary shares†	Issued ordinary capital and reserves	Investments		Equity earnings after taxation	Equity earnings per share†	Dividend per ordinary share†	Total ordinary dividend
			Book value	Market value*				
		R	R	R	R	cents	cents	R
1961	106 119 360	110 905 000	118 646 000	232 052 000	16 628 000	15.7	9	9 585 000
1962	110 838 690	125 540 000	134 669 000	290 376 000	19 279 000	17.3	10	11 034 000
1963	126 434 710	162 814 000	161 293 000	361 518 000	23 358 000	18.5	10	12 643 000
1964	126 740 400	175 402 000	167 562 000	401 165 000	27 174 000	21.4	12	15 213 000
1965	127 353 040	189 229 000	170 188 000	419 893 000	28 941 000	22.7	13	16 555 000
1966	128 082 300	204 685 000	179 360 000	490 104 000	30 536 000	23.8	13	16 648 000
1967	129 820 400	222 260 000	212 835 000	616 177 000	30 540 000	23.5	13	16 824 000
1968	129 820 400	237 050 000	262 299 000	956 355 000	32 728 000	25.2	14	18 175 000
1969	129 820 400	253 362 000	283 117 000§	818 138 000§	36 224 000	27.9	16	20 771 000
1970	129 820 400	271 283 000	307 335 000§	688 610 000§	38 692 000	29.8	16	20 771 000

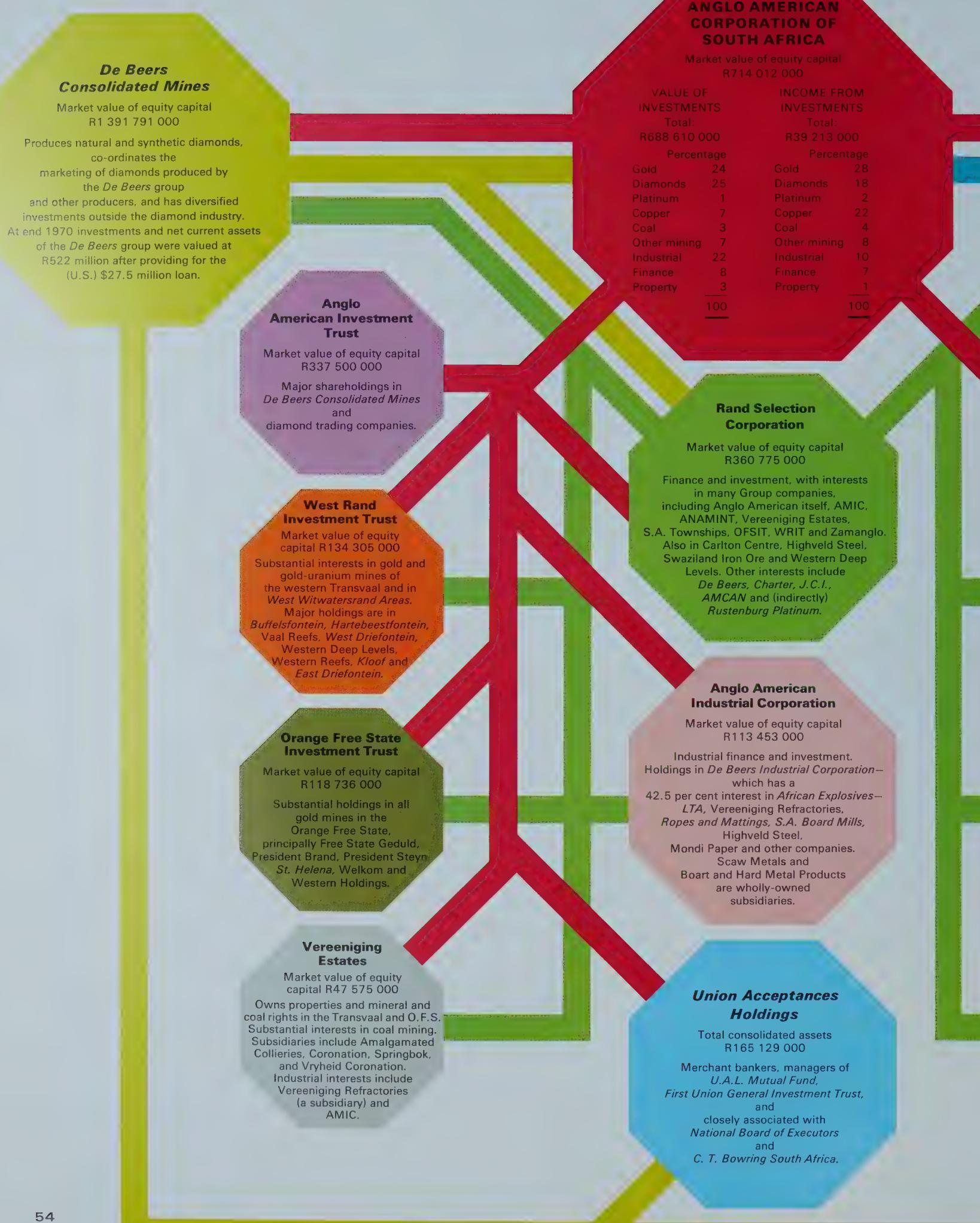
\* Including unquoted investments at book value

† Adjusted for share subdivision on 13th June 1969 of R1 shares into 10 cent shares, for purposes of comparison

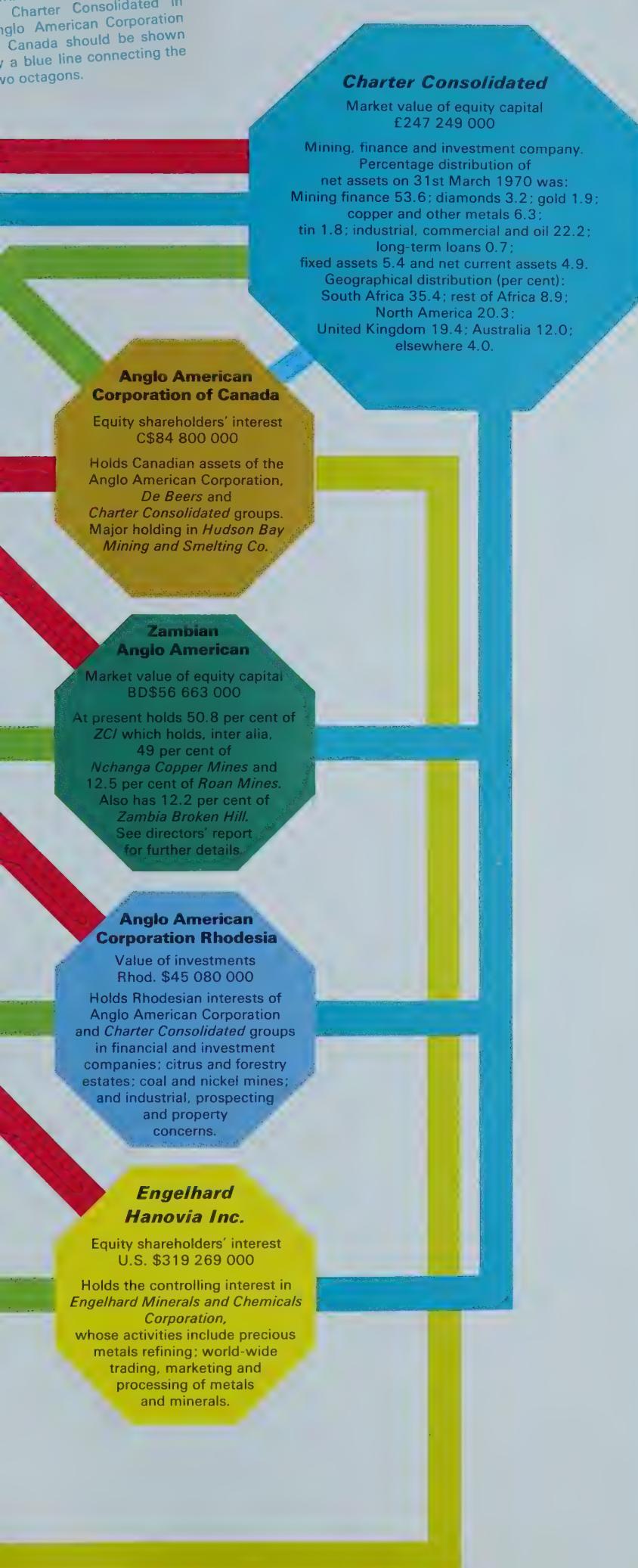
§ Excluding investment in subsidiary companies not consolidated

## **Profile of the Group**

Structure of the Group	54
Interests of the Group	56
Finance and investment	60
Gold, Orange Free State	67
Gold, Far West Rand and Klerksdorp	69
Gold, Rand and Kinross	72
Diamonds	74
Copper and other mining	76
Coal	79
Industrial and commercial	81
Property	86



RATUM. The shareholding  
Charter Consolidated in  
Anglo American Corporation  
Canada should be shown  
by a blue line connecting the  
two octagons.



## Structure of the Group

Anglo American Corporation of South Africa is the head of a group that comprises a large number of companies which the Corporation administers, but which in most cases are not subsidiaries in the statutory sense. These companies fall into two main categories: the finance and investment companies, through which the majority of the Corporation's investments is held; and the mining, industrial and other operating companies. The Corporation also has substantial investments in a number of companies which it does not administer, the most important of these holdings being in De Beers Consolidated Mines and Charter Consolidated, with both of which the Corporation has close links derived from associations of many years' standing.

The structure of the Anglo American Corporation Group is outlined in the chart, which shows the significant shareholding relationships between the Corporation and the principal Group companies, and how the Group's interests in De Beers and Charter Consolidated are held. The more important holdings of these two companies in the Anglo American Corporation Group are also shown. The De Beers group holds an interest of more than 40 per cent in Rand Selection Corporation, and the De Beers and Charter Consolidated groups each hold an interest of approximately 25 per cent in Anglo American Corporation of Canada.

The brief descriptions of the companies in the chart are intended simply to indicate their relative size and principal interests or activities; market valuations are at 31st December 1970.

*Names of companies outside the Anglo American Corporation Group are printed in italics.*

*Detailed information on the interests of the Group is given in the following pages.*

# Interests of the Group

## MINING FINANCE AND INVESTMENT

**Administered within the Anglo American Corporation Group**

African and European Investment Company Limited\*  
African Loans and Investments Limited\*  
Amrho Investments (Private) Limited  
Anglo American Corporation (Australia) Limited\*  
Anglo American Corporation Botswana Limited  
Anglo American Corporation (Central Africa) Limited\*  
Anglo American Corporation of Canada Limited  
Anglo American Corporation of South Africa (Portugal) S.A.R.L.  
Anglo American Corporation Rhodesia Limited  
Anglo American Corporation of the United States Inc.  
Anglo American Investment Trust Limited  
Angloswazi Investments Limited\*  
Anglux Limited S.A.\*  
Anseld Holdings (Proprietary) Limited\*  
Appraised Securities Limited\*  
Blue Skies (Private) Limited\*  
Consolidated Mines Holdings (Rhodesia) Limited\*  
Engelhard Hanovia Inc.\*  
H.D. Development Limited\*  
Headstone Investments Limited\*  
New Central Witwatersrand Areas Limited  
New Rhodesia Investments Limited\*  
Orange Free State Investment Trust Limited  
Overseas and Rhodesian Investment Company Limited  
Rand Selection Corporation Limited  
Rhochar Holdings Limited\*  
Rhodesian Nickel Corporation Limited  
South African Mines Selection Limited\*  
South African Townships Mining and Finance Corporation Limited  
Southval Holdings Limited  
St. Andrews Securities Limited  
Thaton Limited\*  
The New Era Consolidated Limited\*  
The Vereeniging Estates Limited  
Western Ultra Deep Levels Limited  
West Rand Investment Trust Limited  
Zambia Copper Investments Limited  
Zambian Anglo American Limited

**Administered outside the Anglo American Corporation Group**

Charter Consolidated Limited  
Charter France S.A.  
Hollandstraat-ses Beleggings (Eiendoms) Beperk  
Johannesburg Consolidated Investment Company Limited  
Rand Mines Limited  
Tanganyika Concessions Limited  
Trans-Natal Coal Corporation Limited  
Transvaal Consolidated Land and Exploration Company Limited  
Union Investment Company  
Virginia-Merriespruit Investments (Proprietary) Limited  
West Witwatersrand Areas Limited

## GOLD

**Administered within the Anglo American Corporation Group**

Daggafontein Mines Limited  
East Daggafontein Mines Limited  
Freddies Consolidated Mines Limited  
Free State Geduld Mines Limited  
Free State Saaiplaas Gold Mining Company Limited  
Jeannette Gold Mines Limited  
President Brand Gold Mining Company Limited  
President Steyn Gold Mining Company Limited  
The South African Land & Exploration Company Limited

The Anglo American Corporation Group has interests in a wide range of financial, mining, industrial, prospecting and other companies. The Group holds a large investment in, or a significant proportion of the issued share capital of, the following companies (\*indicates subsidiary).

Vaal Reefs Exploration and Mining Company Limited  
Welkom Gold Mining Company Limited

Western Deep Levels Limited

Western Holdings Limited

Western Reefs Exploration and Development Company Limited

## Administered outside the Anglo American Corporation Group

Blyvooruitzicht Gold Mining Company Limited  
Bracken Mines Limited  
Buffelsfontein Gold Mining Company Limited  
Doornfontein Gold Mining Company Limited  
East Driefontein Gold Mining Company Limited  
Elsburg Gold Mining Company Limited  
Harmony Gold Mining Company Limited  
Hartebeestfontein Gold Mining Company Limited  
Kloof Gold Mining Company Limited  
Leslie Gold Mines Limited  
Libanon Gold Mining Company Limited  
Lorraine Gold Mines Limited  
St. Helena Gold Mines Limited  
West Driefontein Gold Mining Company Limited  
Western Areas Gold Mining Company Limited  
Winkelhaak Mines Limited  
Zandpan Gold Mining Company Limited

## DIAMOND MINING AND TRADING

**Administered outside the Anglo American Corporation Group**

De Beers Consolidated Mines Limited  
Industrial Distributors (1946) Limited  
Industrial Distributors (Sales) Limited  
Industrial Grit Distributors (Shannon) Limited  
The Diamond Purchasing and Trading Company Limited  
The Diamond Trading Company Limited

## COPPER AND OTHER MINING

**Administered within the Anglo American Corporation Group**

Bindura Smelting and Refining Company Limited  
Botswana Exploration and Mining Company (Proprietary) Limited  
Iron Duke Mining Company Limited  
Madziwa Mines Limited  
Nchanga Consolidated Copper Mines Limited  
Swaziland Iron Ore Development Company Limited  
The Zambia Broken Hill Development Company Limited  
Trojan Nickel Mine Limited

## Administered outside the Anglo American Corporation Group

The Associated Manganese Mines of South Africa Limited  
Cleveland Potash Limited  
G. & W. Holdings (Proprietary) Limited  
Hudson Bay Mining and Smelting Co. Limited  
Kiln Products Limited  
Ndola Lime Company Limited  
Roan Consolidated Mines Limited  
The Messina (Transvaal) Development Company Limited  
The Northern Lime Company Limited  
The South West Africa Company Limited  
Tsumeb Corporation Limited

## COAL

**Administered within the Anglo American Corporation Group**

Amalgamated Collieries of South Africa Limited  
Arnot Colliery (Proprietary) Limited  
Blesbok Colliery Limited  
The Coronation Collieries Limited

Indumeni Coal Mines Limited  
Ingagane Colliery (Proprietary) Limited  
Natal Coal Exploration Company Limited  
New Largo Colliery Limited  
South African Coal Estates (Witbank) Limited  
Springbok Colliery Limited  
Springfield Collieries Limited  
Transvaal Coal Corporation Limited  
Vierfontein Colliery Limited  
Vryheid Coronation Limited  
Wankie Colliery Company Limited  
Witbank Coal Holdings Limited  
Zuunguin Natal Collieries Limited

**Administered outside the Anglo American Corporation Group**  
Apex Mines Limited  
Balgray Collieries (Proprietary) Limited  
Blinkpan Koolmyne Beperk  
Coke Producers (Proprietary) Limited  
Natal Ammonium Collieries Limited  
Natal Anthracite Colliery Limited  
The Newcastle-Platberg Colliery Limited  
Umgala Colliery (Proprietary) Limited  
Witbank Colliery Limited

## PLATINUM

**Administered outside the Anglo American Corporation Group**  
Brakspruit Platinum (Proprietary) Limited  
Dithaba Platinum (Proprietary) Limited  
Lydenburg Platinum Limited  
P.G.M. Brakspruit (Proprietary) Limited  
Platinum Prospecting (Proprietary) Limited  
Union Platinum Mining Company Limited  
Waterval (Rustenburg) Platinum Mining Company Limited

## PROSPECTING

**Administered within the Anglo American Corporation Group**  
Anglo American Corporation Prospecting Company (Australia) Limited\*  
Anglo American Prospecting Company Limited\*  
Anglo American Prospecting Company (South) Limited\*  
Anglo American Prospecting Services (Proprietary) Limited  
Anmercosa Canadian Exploration Limited  
Anmercosa Mozambique Oil Holdings (Proprietary) Limited  
E.M.A. Rhodesia Limited  
Kaffrarian Metal Holdings Limited  
Kimberlite Searches Limited  
Middleridge Limited  
Mineral Ventures (Proprietary) Limited  
Prospecting Ventures Limited  
Sedge Limited  
Sedge Botswana (Proprietary) Limited  
Société Civile de Prospection de Nickel à Madagascar  
Southridge Limited  
Tuli Exploration (Proprietary) Limited  
Valley Exploration and Mining Company Limited  
Zamanglo Exploration Limited

**Administered outside the Anglo American Corporation Group**  
Baffinland Iron Mines Limited  
Cape Verde (Proprietary) Limited  
Groupement d'Etudes du Nickel de Moramanga  
Ocean Science and Engineering Inc.  
Société Civile d'Etude et de Recherche du Minerai de Nickel à Madagascar  
Société Prospection de Nickel à Madagascar

## GENERAL INVESTMENT

**Administered within the Anglo American Corporation Group**  
Anseld (Canada) Limited\*  
Cello Securities Limited\*  
Compagnie Financière Eurafricaine  
Darch Investments Limited  
Epoch Investments Limited  
Euranglo (Proprietary) Limited  
Lydenburg Holdings Limited\*

**Administered outside the Anglo American Corporation Group**  
First Union General Investment Trust Limited  
Societa Nazionale Sviluppo Imprese Industriali

## BANKING AND TRUST COMPANIES

**Administered within the Anglo American Corporation Group**  
Central Reserves (Proprietary) Limited  
Central Reserves (Rhodesia) (Private) Limited  
Central Reserves (Lusaka) Limited\*

**Administered outside the Anglo American Corporation Group**  
Bahamas International Trust Company Limited  
Banco Standard-Totta de Moçambique S.A.R.L.  
Banco Totta-Standard de Angola S.A.R.L.  
British and Rhodesian Discount House Limited  
Cayman International Trust Company Limited  
Founders Building Society  
National Finance Corporation of South Africa  
Rhodesian Acceptances Limited  
The Discount House of South Africa Limited  
U.D.C. Bank Limited  
Union Acceptances Holdings Limited

## PROPERTY

**Administered within the Anglo American Corporation Group**  
Anglo American Properties Limited  
Anglo American Northern Properties Limited\*  
Anglo American (O.F.S.) Housing Company Limited  
Anmercosa Land and Estates Limited\*  
Carlton Centre Limited  
Cecelia Park (Proprietary) Limited  
Crescent Developments (Proprietary) Limited  
Exchange Buildings (Proprietary) Limited\*  
Isipingo Property Investments Limited  
La Lucia Property Investments Limited  
Land Investment and Development Corporation Limited  
Muizenburg Marine Estates Limited  
Orange Free State Land and Estate Company (Proprietary) Limited  
Sabel Developments (Proprietary) Limited  
Retail and General Properties Limited  
Selsdon House (Proprietary) Limited  
Westander Properties (Proprietary) Limited\*

**Administered outside the Anglo American Corporation Group**  
Creative Homes Limited  
Prestin (Proprietary) Limited

## INDUSTRIAL AND COMMERCIAL

**Members of the Anglo American Corporation Group**  
**Finance and investment**  
Anglo American Industrial Corporation Limited  
Cashew Investments Limited  
Forest Industries and Veneers Limited  
Mainstraat Beleggings (1965) (Eiendoms) Beperk  
Zamanglo Industrial Corporation Limited

## Interests of the Group

### Agriculture and forestry

Dawn Orchards Limited  
Eastern Forest Estates  
Eastern Transvaal Timber Company (Proprietary) Limited  
Longmeadow Home Farm (Proprietary) Limited  
Mazoe Citrus Estates  
Mondi Forest (Proprietary) Limited  
Oak Timbers Limited  
Rhodes Fruit Farms Limited  
R.N.F.E. (Private) Limited  
Simona Estates Limited  
Tide Farms Limited

### Building construction and related industries

Products Limited  
Virtual Holdings Limited  
West Allied Industries (O.F.S.) Limited

and sugar

First Fresh Foods Limited  
Valley Estates Limited  
Frias de Caju Mocita Limitada  
Frias de Caju, Antenes S.A.R.L.

steel, engineering and related industries

Proprietary Limited  
Gold Steel and Vanadium Corporation Limited  
Refineries (Proprietary) Limited  
Metals Limited  
Alloys (Proprietary) Limited  
Reenig Refractories Limited  
Products Limited

### Sundry

Boart and Hard Metal Products S.A. Limited  
Boart Drilling and Contracting Limited  
Boart Drilling Company Limited  
Boart Limited  
Boat Industrial Limitada  
Boat Metals Limited  
Boat Metals Canada Limited  
Inpower Works (Proprietary) Limited  
Mondi Paper Company Limited  
Rockbite Products Limited  
Shaft Sinkers (Proprietary) Limited  
Johann Diamond and Carbide Limited  
Trochem (Proprietary) Limited  
Ultra High Pressure Units Limited  
Ultra High Pressure Units (Ireland) Limited

### Other industrial and commercial interests

Finance and investment  
De Beers Industrial Corporation Limited  
Aflex Holdings Limited

Agriculture and forestry  
Border Forests (Rhodesia) Limited  
Mining Timbers Limited

### Beverages and hotels

Northern Breweries Limited  
The Ridgeway Hotel Limited  
The South African Breweries Limited

### Building, construction and related industries

Bruynzeel Plywoods Limited  
L.T.A. Limited  
Premier Portland Cement Company (Rhodesia) Limited  
Zambia Clay Industries Limited

*Plunge grinding high speed steel with a resin bond wheel containing DXDA-MC, the metal-clad grit developed by De Beers.  
In a mere 20 seconds the wheel will remove half an inch in diameter of steel without measurable wear to itself*

### Food and sugar

African Products Manufacturing Company Limited  
Hulets Corporation Limited  
Oranje Koekamers Beperk  
The Rhodesian Milling Company (Private) Limited  
Tiger Oats and National Milling Company Limited

### Iron, steel, engineering and related industries

African Wire Ropes Limited  
Cullinan Refractories Limited  
Hall, Longmore and Company Limited  
International Pipe and Steel Investments S.A. (Proprietary) Limited  
Lenning Holdings Limited  
Middelburg Steel and Alloys (Proprietary) Limited  
Rheem South Africa (Proprietary) Limited  
Rhodesian Alloys (Private) Limited  
Stewarts and Lloyds of South Africa Limited  
The Rhodesian Iron and Steel Company Limited  
Union Carriage and Wagon Company Limited  
Union Steel Corporation (of South Africa) Limited

### Motor and transport

Atkinson Oates Motors Limited  
Illings (Proprietary) Limited  
McCarthy-Main Holdings Limited  
McCarthy Rodway Limited  
United Transport Holdings Limited

### Sundry

African Explosives and Chemical Industries Limited  
J. L. Clark and Company Limited  
South African Board Mills Limited  
Stafford Mayer Company South Africa Limited  
Thos. Barlow and Sons Limited

### Textiles

Industex Limited  
Ropes and Mattings Holdings Limited  
South African Nylon Spinners (Proprietary) Limited

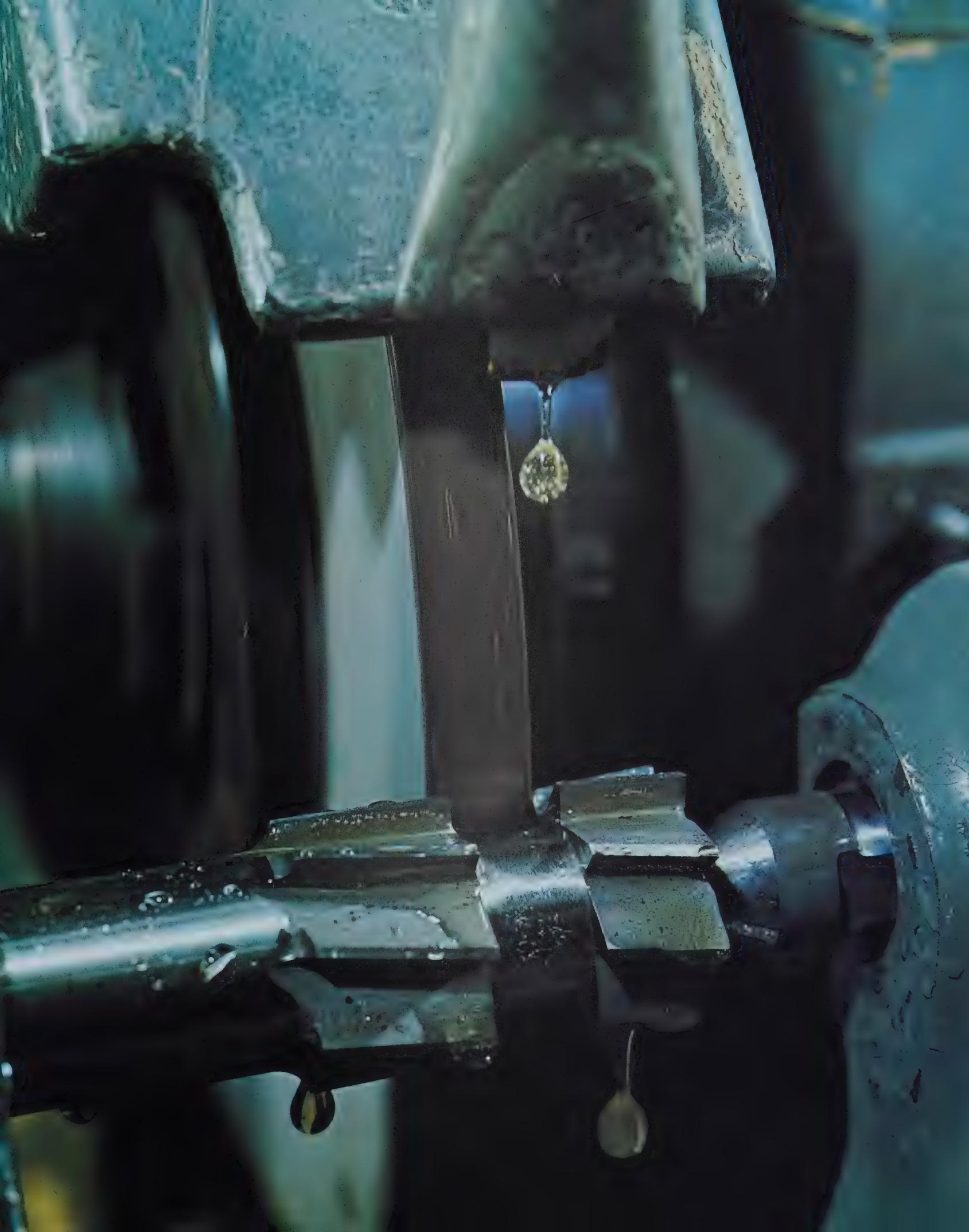
## SUNDRY COMPANIES

### Administered within the Anglo American Corporation Group

Anglo American Corporation Management and Services A.G.\*  
Anglo American Corporation Services Limited\*  
Anglo American Gold Development Company Limited  
Anglo American International Services (Proprietary) Limited\*  
Anglo American International (U.K.) Limited  
Anglo American Rhodesian Development Corporation Limited  
Anglo American (Rhodesian Services) Limited\*  
Anglo Chemical and Ore Company Limited  
Anmercosa Computer Services Limited\*  
Anmercosa Overseas Service (U.K.) Limited  
Anmercosa Sales Limited  
International Civil Engineering and Construction Company  
Ipcorn Limited

### Administered outside the Anglo American Corporation Group

Computer Sciences S.A. Limited  
Consolidated Share Registrars Limited  
Copperbelt Power Company Limited  
C.T. Bowring and Associates Holdings (South Africa) Limited  
Ewing MacDonald and Company Limited  
Freight Services Holdings Limited  
Gallo (Africa) Limited  
Swaziland Development Corporation



## Finance and investment

### Administered within the Anglo American Corporation Group

#### Anglo American Corporation of Canada Limited

The company was established in 1966 to consolidate the bulk of the Canadian assets of the Anglo American Corporation, De Beers and Charter Consolidated groups. These include both direct and indirect investments in copper, zinc, cadmium, gold, silver, potash and uranium mining, chemical, crude oil and natural gas production, road, rail and sea transportation, land development and prospecting operations.

*Year ended 31st December 1970.*

Issued capital stock: \$86 085 450 in 8 429 545 shares of no par value.

Total shareholders equity (consolidated): \$96 596 889.

	1970	1969
Book cost of unquoted investments .....	\$24 228 239	\$23 817 771
Book cost of quoted investments .....	\$86 136 595	\$88 079 057
Market value of quoted investments .....	\$74 446 398	\$103 433 798
Net asset value per share .....	\$10.06	\$13.57
Income before taxation ..	\$902 975	\$5 332 496
Provision for taxation ..	*\$3 672	\$139 589
Net income .....	\$906 647	\$5 192 907
Earnings per share .....	10.8c	61.6c
Dividends:		
Amount paid .....	\$3 371 818	\$3 371 818
Per share .....	40c	40c

*\*Taxation recovery.*

*All amounts expressed in Canadian currency.*

At 31st December 1970 the company's principal investments were as follows:

	Shares held	Percentage
Hudson Bay Mining and Smelting Co. Limited .....	2 530 671	27.99
Francana Development Corporation Limited .....	400 000	40.00
Agnew Lake Mines Limited .....	150 001	10.00
The White Pass and Yukon Corporation Limited .....	494 985	26.22
Great Northern Capital Corporation Limited .....	180 750	7.76

#### Anglo American Corporation Rhodesia Limited

The company, in conjunction with certain other Rhodesian group companies, holds the Rhodesian interests of the Anglo American Corporation and Charter Consolidated groups and has a widely diversified portfolio of Rhodesian-based investments which provide the major part of its income by way of dividends. Its major investments include coal, nickel and copper mining, iron, steel, ferro-chrome and allied industries, citrus, sugar, general agriculture, forestry and timber processing, milling, rolling stock hire, property, merchant-banking and investment finance. In addition it has a substantial participation in the Corporation's prospecting programme in Rhodesia.

*Year ended 30th June 1970.*

Issued capital: \$7 088 651.50 in shares of 50 cents each.

Total equity capital and reserves: \$40 319 785.

The Corporation has indirect interests in a large number of companies through its shareholdings in finance and investment companies. Particulars of the principal finance and investment companies in which the Corporation holds shares and which are administered within the Anglo American Corporation Group are given below, together with the more important finance and investment companies with which the Corporation is closely associated but which are administered outside the Group.

	1970	1969	Shares held	Percentage
Book cost of unquoted investments .....	\$29 419 732	\$29 504 348		
Book cost of quoted investments .....	\$8 290 563	\$7 940 530		
Market value of quoted investments .....	\$15 660 418	\$16 980 872		
Profit after taxation .....	\$1 977 587	\$1 705 194		
<i>All amounts expressed in Rhodesian currency.</i>				
<b>Anglo American Industrial Corporation Limited</b>				
The company was formed to consolidate the industrial holdings of the Anglo American Corporation Group and plays an active role in the provision of capital for industrial projects.				
<i>Period 1st July 1969 to 31st December 1970.</i>				
<i>(Previous year-end 30th June.)</i>				
Issued capital: R20 452 056 in 17 755 056 ordinary shares of R1 each and *2 697 000 deferred 'A' shares of R1 each.				
Share capital and reserves (consolidated):				
	Eighteen months ended 31st December 1970	Year ended 30th June 1969		
Fixed assets, property, etc. (less depreciation) .....	R36 688 000	R19 589 000		
Net premium on acquisition of subsidiaries .....	R35 556 000	R13 002 000		
Book cost of unquoted investments .....	R32 335 000	R18 334 000		
Book cost of quoted investments .....	R50 950 000	R52 103 000		
Market value of quoted investments .....	R58 266 000	R84 518 000		
Net asset value per ordinary share .....	R7.76	R8.26		
Consolidated profit before taxation .....	R29 257 000	R8 915 000		
Taxation .....	R9 520 000	R2 003 000		
Consolidated profit after taxation and deduction of minority interests .....	R15 422 000	R6 526 000		
Earnings per ordinary share .....	87.0c	17.7c		
Dividends:				
Amount paid .....	R8 877 000	R4 448 000		
Per ordinary share .....	50c	32.5c		
<i>*The deferred 'A' shares will qualify for any dividends declared on or after 1st November 1971.</i>				
At 31st December 1970 the company's principal investments were as follows:				
Quoted investments	Shares held	Percentage	Shares held	Percentage
<b>INDUSTRIAL FINANCE</b>				
Anglo Transvaal Industries Limited .....	200 000	1.63		
<b>BUILDING AND ALLIED INDUSTRIES</b>				
LTA Limited .....	1 000 000	20.00		
<b>IRON, STEEL, ENGINEERING AND RELATED INDUSTRIES</b>				
Thos. Barlow and Sons Limited .....	1 100 000	1.77		
Highveld Steel and Vanadium Corporation Limited .....	4 252 800	7.55		
Stewarts and Lloyds of South Africa Limited .....	1 102 449	4.89		
The Union Steel Corporation (of South Africa) Limited .....	3 800 000	13.10		
Vereeniging Refractories Limited .....	786 000	15.72		
<i>*This company was formed on 22nd July 1970 to hold certain of the interests of the South African Iron and Steel Industrial Corporation Limited, Metkor Investments Limited, African Gate Holdings Limited, British Steel Corporation and Anglo American Corporation in:</i>				
<i>(i) Vanderbijl Engineering Corporation Limited</i>				
<i>(ii) Dorman Long (Africa) Limited</i>				
<i>(iii) Stewarts and Lloyds of South Africa Limited.</i>				
<i>The latter company acquired Baldwins Limited and Tube and Pipe Industries (Proprietary) Limited as part of the regrouping arrangements. Ipsa holds 51 per cent of the issued capital of Stewarts and Lloyds.</i>				
MOTOR	Shares held	Percentage	Shares held	Percentage
McCarthy-Main Holdings Limited .....			1 275	28.10
<b>PULP AND PAPER</b>				
Mondi Paper Company Limited .....	4 119 438	43.72		
<b>PROPERTY DEVELOPMENT</b>				
Isipingo Property Investments Limited .....			500	25.00
<b>TEXTILES</b>				
Industex Limited .....	1 273 217	37.45		
<b>TRANSPORT</b>				
Freight Services Holdings Limited .....	232 153	19.27		
United Transport Holdings Limited .....	836 331	25.00		

### Subsidiary companies (wholly-owned)

Scaw Metals Limited	
Orange Free State Land and Estate Company (Proprietary) Limited	
Boart and Hard Metal Products S.A. Limited	
Marabou Investments Limited	

### Anglo American Investment Trust Limited

Investment company with shareholdings in De Beers Consolidated Mines Limited and certain diamond trading companies.

Year ended 31st December 1970.

Issued capital: R10 000 000 in 10 000 000 ordinary shares of 50 cents each and 2 500 000 six per cent cumulative preference shares of R2 each.

Share capital and reserves: R34 661 000.

	1970	1969
Book cost of unquoted investments .....	R1 803 000	R11 172 000
Book cost of quoted investments .....	R36 397 000	R23 073 000
Market value of quoted investments .....	R364 046 000	R430 581 000
Net asset value per ordinary share .....	R35.73	R43.69
Profit after taxation and preference dividend .....	R14 763 000	R16 025 000
Earnings per ordinary share .....	147c	160c
Dividends:		
Ordinary:		
Amount paid .....	R14 500 000	R14 500 000
Per share .....	145c	145c

The company's investments at 31st December 1970 were as follows:

	Shares held	Percentage
Abrasive Grit Sales Limited—'A' shares .....	21 600	12.00
Anglo American Industrial Corporation Limited—ordinary shares .....	590 625	3.32
*De Beers Consolidated Mines Limited—deferred shares .....	92 497 140	25.92
The Diamond Purchasing and Trading Company Limited ....	400 000	16.00
The Diamond Trading Company Limited .....	222 009	22.20
Industrial Distributors (1946) Limited—ordinary shares .....	330 000	13.20
Industrial Distributors (1946) Limited—five per cent cumulative participating preference shares .....	150 000	30.00
Industrial Grit Distributors (Shannon) Limited .....	28 000	15.55

\*In September 1970, the company acquired a further 14 928 570 shares in De Beers Consolidated Mines Limited in exchange for its holding of 3 928 571 shares (equivalent to 17.86 per cent) in the capital of The Diamond Corporation Limited. During the year a further 811 100 shares were purchased in the market.

### Anglo American Rhodesian Development Corporation Limited

The company's main source of income is the hiring of rolling stock, originally purchased for \$15.6

million (Rhodesian), to the Rhodesia Railways under long-term lease arrangements. In addition, it administers as independently operating divisions, the Mazoe Citrus estates near Salisbury and substantial forestry estates in the Eastern highlands.

### Mainstraat Beleggings (1965) (Eiendoms) Beperk

The company was formed in 1965 by Anglo American Corporation of South Africa Limited and the Federale Mynbou/General Mining group for the purpose of investing principally in the fields of engineering and heavy industry. The company has an interest in the equity of Highveld Steel and Vanadium Corporation Limited, and large shareholdings in Hall, Longmore and Company Limited and in Union Carriage and Wagon Company Limited. The company also has an interest in Shaft Sinkers (Proprietary) Limited and International Pipe and Steel Investments South Africa (Proprietary) Limited (IPSA). The company acquired 1 707 385 fully-paid shares in IPSA in exchange for a holding of 611 966 shares in Stewarts and Lloyds of South Africa Limited.

### New Rhodesia Investments Limited

This company is a wholly-owned Rhodesian subsidiary of the Corporation and in turn owns the entire issued capitals of three other Rhodesian companies, Appraised Securities Limited, Blue Skies (Private) Limited and Consolidated Mines Holdings (Rhodesia) Limited. The group holds a participation in the recently developed nickel mines at Bindura and Shamva and, in addition, has interests in many other Rhodesian and South African companies, both quoted and unquoted.

### Orange Free State Investment Trust Limited

Financial company with major shareholdings in gold mining companies in the Orange Free State, and various financial and other companies.

Year ended 31st December 1970.

Issued capital: R10 943 000 in ordinary shares of R1 each.

Share capital and reserves: R59 033 000.

	1970	1969
Book value of quoted investments .....	R46 743 000	R45 871 000
Market value of quoted investments .....	R117 094 000	R108 224 000
Net asset value per ordinary share .....	R11.82	R10.77
Profit after taxation .....	R12 029 000	R11 755 000
Earnings per share .....	110c	107c
Dividends:		
Amount paid .....	R8 481 000	R8 208 000
Per share .....	77.5c	75c

At 31st December 1970 the company's shareholdings were as follows:

Gold producing	Shares held	Percentage
Free State Geduld Mines Limited .....	2 100 000	21.00
Harmony Gold Mining Company Limited .....	1 800 000	10.00
Kloof Gold Mining Company Limited .....	160 000	—
Lorraine Gold Mines Limited .....	2 400 000	14.94
President Brand Gold Mining Company Limited .....	2 808 000	20.00

	Shares held	Percentage
President Steyn Gold Mining Company Limited .....	3 000 000	21.43
St. Helena Gold Mines Limited .....	1 925 000	20.00
Welkom Gold Mining Company Limited .....	2 450 000	20.00
West Driefontein Gold Mining Company Limited .....	10 000	—
Western Holdings Limited .....	1 575 000	21.01
<b>Gold Developing</b>		
East Driefontein Gold Mining Company Limited .....	708 861	1.50
<b>Financial</b>		
Anglo American Industrial Corporation Limited:		
Ordinary .....	32 641	—
Deferred 'A' .....	6 528	—
Sentrust Beperk .....	40 000	—
Southval Holdings Limited:		
Ordinary .....	854 062	10.75
Options .....	854 062	—
West Witwatersrand Areas Limited .....	180 611	1.68
Witwatersrand Deep Limited .....	30 500	2.18
<b>Property</b>		
Carlton Centre Limited—8½ per cent first mortgage convertible debentures 1979/96–89 per cent paid (nominal) .....	1 000 000	—
<b>Other</b>		
Cape Verde (Proprietary) Limited .....	10	10.00
Jeannette Gold Mines Limited .....	1 500 000	25.00
<b>Rand Selection Corporation Limited</b>		
Financial and investment company with shareholdings in financial, gold, gold mining investment, diamond, copper and other base metals, coal, platinum, industrial and land and estate companies.		
Year ended 30th September 1970.		
Issued capital: R17 017 682.50 in 34 035 365 ordinary shares of 50 cents each fully paid.		
Total share capital and reserves (consolidated): R180 828 000.	1970	1969
Book cost of unquoted investments .....	R65 219 000	R47 999 000
Book cost of quoted investments .....	R150 058 000	R154 181 000
Market value of quoted investments* .....	R463 529 000	R605 545 000
Net asset value per share** .....	R12.96	R17.44
Consolidated profit before taxation .....	R21 994 000	R21 400 000
Taxation .....	R266 000	R122 000
Consolidated profit after taxation and deduction of minority interests .....	R21 540 000	R21 110 000
Earnings per share .....	63.3c	62c
<i>Loan capital at 30th September 1970:</i>		
5½ per cent registered notes 1968/72 .....	R567 000	
Guaranteed unsecured registered debentures (loans totalling US\$25 000 000 repayable 14.6.71) .....	R17 850 000	
U.S. dollar loan 1973/82 .....	R7 839 000	
	<hr/>	<hr/>
	R26 256 000	

Dividends: 1970 1969  
 Amount paid ..... R14 465 000 R14 465 000  
 Per share ..... 42.5c 42.5c

*Includes the corporation's share in the interest in Charter Consolidated held through Rhochar Holdings Limited, an unquoted company.*

*Including quoted investments at market value less minority interests in subsidiary companies.*

At 30th September 1970 the investments of the corporation and its subsidiaries were spread as follows:

	*Market value at 30th September 1970	Per- centage
Finance .....	R202 205 000	39.73
Diamonds .....	R69 683 000	13.69
Investments—gold mining .....	R54 808 000	10.77
Gold mines .....	R70 614 000	13.87
Platinum .....	R8 495 000	1.67
Companies principally interested in copper and other base metals .....	R18 060 000	3.55
Coal .....	R11 837 000	2.33
Industrial .....	R64 744 000	12.72
Land, estate and sundry .....	R8 520 000	1.67
	<hr/> <b>R508 966 000</b>	<hr/> <b>100.00</b>

*Unquoted investments at book cost, with the exception of Rhochar Holdings Limited which has been included at the market value of the underlying Charter Consolidated Limited shares held by that company.*

In January 1971 the corporation made a public issue at par of 30 million 10 per cent unsecured debentures 1983/1997 of R1 each. The capital raised was used to repay short-term loans advanced by Anglo American Corporation and to provide cash resources for further expansion of the corporation's interests.

In February 1971 the corporation raised a convertible Eurodollar US\$30 million loan repayable in 1986. The loan bears interest at a rate of 6½ per cent per annum with an issue price of par and a conversion price of R11.75. The net proceeds of the issue will be applied to the repayment of US\$25 million of unsecured debentures maturing on 14th June 1971 and will provide cash resources to follow up the corporation's right of participation in new business undertaken by Anglo American Corporation.

#### Rhodesian Nickel Corporation Limited

The company owns the entire share capitals of Trojan Nickel Mine Limited, Madziwa Mines Limited and Bindura Smelting and Refining Company Limited. The subsidiaries mine and refine nickel and copper in the Bindura/Shamva district in Rhodesia.

*Year ended 31st March 1970.*

Issued capital: R\$12 000 000 in 24 000 000 ordinary shares of 50 cents each.

	1970	1969
Profit before taxation ....	R\$3 125 000	R\$343 000
Taxation .....	R\$20 000	R\$14 000
Profit after taxation ....	R\$3 105 000	R\$329 000
Dividends:		
Amount paid .....	R\$1 200 000	Nil
Per share .....	5c	Nil

#### South African Townships Mining and Finance Corporation Limited

Finance, investment and property-holding company.  
*Year ended 30th September 1970.*

Issued capital: R4 800 000 in shares of R1 each, 92.9 per cent held by Rand Selection Corporation at 30th September 1970.

Share capital and reserves (consolidated):

R12 777 000. 1970 1969

Book cost of unquoted investments .....	R1 691 000	R1 021 000
---	------------	------------

Book cost of quoted investments .....	R5 189 000	R4 988 000
---------------------------------------	------------	------------

Market value of quoted investments .....	R24 030 000	R30 704 000
--	-------------	-------------

Net asset value per share .....	R6.62	R5.36
---------------------------------	-------	-------

Consolidated profit before taxation .....	R2 800 000	R2 324 000
---	------------	------------

Taxation .....	R262 000	R103 000
----------------	----------	----------

Consolidated profit after taxation and deduction of minority interests .....	R2 530 000	R2 210 000
--	------------	------------

Earnings per share .....	52.7c	46c
--------------------------	-------	-----

Dividends:		
------------	--	--

Amount paid .....	R1 344 000	R1 248 000
-------------------	------------	------------

Per share .....	28c	26c
-----------------	-----	-----

At 30th September 1970 the investments of the corporation and its subsidiaries were spread as follows:

	*Market value at 30th September 1970	Per- centage
Diamonds .....	R4 157 900	16.17
Investment—gold mining .....	R13 218 333	51.39
Gold mines .....	R5 013 645	19.49
Base metals and platinum .....	R1 143 270	4.44
Industrial finance .....	R914 793	3.56
Land and estate† .....	R1 273 330	4.95
	<hr/> <b>R25 721 271</b>	<hr/> <b>100.0</b>

\*Unquoted investments at book cost.

†This excludes the group's direct holdings in property and township development.

#### The Vereeniging Estates Limited

The company owns property, mineral and coal rights in the districts of Vereeniging, Transvaal, and Heilbron, Orange Free State. In addition, the company has substantial investments in a number of coal mining, industrial and other companies. Year ended 31st December 1970.

Issued capital: R5 500 000 in stock units of R2 each. Capital and reserves (consolidated): R67 526 000.

1970 1969

Fixed assets, property, etc. ....	R46 352 000	R43 773 000
-----------------------------------	-------------	-------------

Net premium on acquisition of subsidiaries .....	R2 117 000	R2 117 000
--	------------	------------

Book cost of trade investments .....	R2 472 000	R2 337 000
--------------------------------------	------------	------------

Book cost of unquoted investments .....	R3 472 000	R2 619 000
---	------------	------------

Book cost of quoted investments .....	R5 094 000	R5 135 000
---------------------------------------	------------	------------

Market value of quoted investments .....	R6 049 000	R7 494 000
--	------------	------------

Net asset value per unit of stock .....	R16.86	R15.49
---	--------	--------

Consolidated profit before taxation .....	R11 835 000	R9 857 000
---	-------------	------------

Taxation .....	R3 372 000	R2 684 000
----------------	------------	------------

Consolidated profit after taxation and deduction of minority shareholders' interest .....	R5 544 000	R4 511 000
---	------------	------------

Earnings per unit of stock .....	R2.02	R1.64
----------------------------------	-------	-------

Dividends:

Amount paid .....	R3 025 000	R2 750 000
-------------------	------------	------------

Per unit of stock .....	110c	100c
-------------------------	------	------

The principal investments of the company at 31st December 1970 were as follows:

#### Coal

Amalgamated Collieries of South Africa Limited

Blesbok Colliery Limited

Blinkpan Koolmyne Beperk

Ingagane Colliery (Proprietary) Limited

Natal Coal Exploration Company Limited

South African Coal Estates (Witbank) Limited

Springbok Colliery Limited

The Coronation Collieries Limited

(and its subsidiary Vryheid Coronation Limited)

Transvaal Coal Corporation Limited

#### Finance

Anglo American Industrial Corporation Limited

\*V.E. Exploration and Finance Company Limited

#### Gold

President Brand Gold Mining Company Limited

#### Agriculture and industry

Premier Milling Company Limited

Soetveldke Farms Limited

The Union Steel Corporation (of South Africa) Limited

\*Vereeniging Refractories Limited.

\*Subsidiary companies.

#### West Rand Investment Trust Limited

Financial company with major shareholdings in gold and gold-uranium mining companies in the western Transvaal, and various financial and other companies.

Year ended 31st December 1970.

Issued capital: 11 008 606 ordinary shares of R1 each. 6 000 000 7½ per cent redeemable cumulative preference shares of R1 each.

Share capital and reserves: R49 832 000.

	1970	1969
Book value of unquoted investments . . . . .	R295 000	R292 000
Book value of quoted investments . . . . .	R47 508 000	R44 658 000
Market value of quoted investments . . . . .	R134 396 000	R116 116 000
Net asset value per ordinary share . . . . .	R11.87	R10.31
Profit after taxation and preference dividend . . . . .	R7 060 000	R6 856 000
Earnings per ordinary share . . . . .	64c	62c
Dividends:		
Ordinary . . . . .		
Amount paid . . . . .	R5 229 000	R4 954 000
Per share . . . . .	47.5c	45c

At 31st December 1970 the company held shares in the following companies:

	Shares held	Percentage
<b>Gold producing</b>		
Blyvoortzicht Gold Mining Company Limited . . . . .	1 700 000	7.08
Buffelsfontein Gold Mining Company Limited . . . . .	2 000 000	18.18
Doornfontein Gold Mining Company Limited . . . . .	650 000	6.61
Elsburg Gold Mining Company Limited . . . . .	350 000	1.11
Hartebeestfontein Gold Mining Company Limited . . . . .	1 700 000	18.89
Kloof Gold Mining Company Limited (ordinary) . . . . .	2 500 000	11.24
Libanon Gold Mining Company Limited . . . . .	100 000	1.26
Stilfontein Gold Mining Company Limited . . . . .	10 000	—
Vaal Reefs Exploration and Mining Company Limited . . . . .	1 900 000	18.09
Venterspost Gold Mining Company Limited . . . . .	50 000	1.02
West Driefontein Gold Mining Company Limited . . . . .	2 000 134	14.20
Western Areas Gold Mining Company Limited . . . . .	1 050 000	5.08
Western Deep Levels Limited . . . . .	3 200 000	12.80
Western Reefs Exploration and Development Company Limited . . . . .	700 000	10.00
Zandpan Gold Mining Company Limited . . . . .	1 653 700	12.70
<b>Gold developing</b>		
East Driefontein Gold Mining Company Limited . . . . .	4 500 000	9.00
<b>Financial</b>		
Ellaton Gold Mining Company Limited . . . . .	59 000	7.49
West Witwatersrand Areas Limited . . . . .	1 300 000	12.13
Western Ultra Deep Levels Limited . . . . .	434 400	28.90
<b>Prospecting</b>		
Boskop Areas (West Wits) Limited . . . . .	7 200	2.4

#### **Zambia Copper Investments Limited**

The company was formed in Bermuda in November 1969. Following completion of the arrangements,

operative from 26th June 1970, whereby the Government of the Republic of Zambia acquired a 51 per cent interest in the copper-mining undertakings in Zambia of the Anglo American and Roan Selection Trust Groups, the company acquired 49 per cent of the equity of Nchanga Consolidated Copper Mines Limited (NCCM) and 12.25 per cent of the equity of Roan Consolidated Mines Limited (RCM). The company also holds 178 698 992 units of Zambia Industrial and Mining Corporation Limited (ZIMCO) 6 per cent loan stock 1982 and 27 603 200 units of ZIMCO 6 per cent bonds 1978.

The company's other interests are:

- (i) 60 per cent of the equity of Zamanglo Exploration Limited
- (ii) 46.437 per cent of the equity of Kalahari Investments Limited
- (iii) 34.268 per cent of the equity of Baluba Mines Limited
- (iv) 57.782 per cent of the equity of Chisangwa Mines Limited
- (v) 46.239 per cent of the equity of Mwinilunga (1970) Limited
- (vi) Sundry local registered stocks and bonds.

In terms of a Share Purchase and Participation Agreement for the acquisition by the Government of Zambia of a 51 per cent interest in Kansanshi Copper Mining Company Limited, the company acquired a further 624 115 NCCM 'B' shares and issued a total of 699 524 new ordinary shares, credited as fully paid, to the holders, other than ZCI, of the 49 per cent interest in Kansanshi.

Following the completion of the Kansanshi arrangement, the issued share capital of the company stood at BD\$28 790 367.84 in 119 959 866 ordinary shares of 24 cents (Bermudian) each, fully paid.

The following financial information was given in a report issued by the company on 4th March 1971:

	Actual results from 6.11.69 to 30.6.70
Dividends received or accrued from:	
NCCM . . . . .	£3 430 000
RCM . . . . .	£798 000
Interest receivable, less provision for expenses and income tax . . . . .	£1 248 000
	<u>£5 476 000</u>

	Nine months ending March 1971	Quarter ending March 1971
Dividends declared:		
Amount . . . . .	Nil	Nil
Per share . . . . .	Nil	Nil

	£8 575 000	£2 287 000
Interest receivable, less provision for expenses and income tax . . . . .	£1 225 000	£477 000
Dividends declared:		
Amount . . . . .	£15 350 000	£2 999 000
Per share . . . . .	12.91667p	2.5p

#### *Notes:*

1. The maiden dividend of 1s. 6d (7.5p) a share declared on 16th October 1970 was in respect of the period 6th November 1969 (date of incorporation) to 30th September 1970 and covered income from mining company operations for the six months' period ended 30th June 1970.
2. A dividend of 7d (2.91667p) a share was declared on 2nd December 1970 in respect of the period ended 31st December 1970 and covered income from mining

company operations for the quarter ended 30th September 1970.

3. A dividend of 2.5p a share was declared on 4th March 1971 in respect of the period ended 31st March 1971 and covered income from mining company operations for the quarter ended 31st December 1970.
4. Future dividends will be declared by the company in March, July, October and December of each year.

#### **Zambian Anglo American Limited**

The company was re-incorporated in Bermuda on 26th June 1970 following completion of the arrangements whereby the Government of the Republic of Zambia acquired with effect from 1st January 1970 a 51 per cent interest in the copper-mining undertakings in Zambia of the Anglo American Corporation and Roan Selection Trust Groups.

The company holds 60 937 559 ordinary shares (50.798 per cent) of the issued capital of Zambia Copper Investments Limited (ZCI).

In addition the company, through its wholly-owned subsidiary, Zamanglo Holdings Limited, holds the following ZCI loan stocks:

- (i) 84 162 369 units of loan stock 1982.
- (ii) 18 526 477 units of loan stock 1978.

Zamanglo's other interests include investments in The Zambia Broken Hill Development Company Limited (lead and zinc), Anglo American Corporation Rhodesia Limited and Zamanglo Industrial Corporation Limited ("ZAMIC"). The latter corporation (formerly Zambian Anglo Mines Services Limited) has reverted to being a wholly-owned subsidiary of Zamanglo and prior to Zamanglo changing its domicile to Bermuda it transferred to ZAMIC its industrial interests, which included a 24.5 per cent holding in Zambia Breweries Limited, a 14.67 per cent holding in Dunlop Zambia Limited and a 28.57 per cent interest in Zambia Clay Industries Limited.

The following is an extract from the profit and loss account for the period to 25th June 1970:

Profit before taxation . . . . .	£16 968 000
Provision for foreign taxation . . . . .	£63 000
Net profit for the period . . . . .	£16 905 000
Dividends:	

Amount . . . . .	£9 527 000
Per share . . . . .	31.5p

The following is an extract from the pro forma balance sheet as at 30th June 1970—to show the effects of the implementation of the abovementioned arrangements—which was included in the last published report and accounts of the company:

Issued capital: £17 771 000 in 30 463 940 shares of BD\$1.40 each.

Total share capital and reserves: £46 620 000.

Loan capital: Six per cent registered loan stock £1 888 000.

#### Investments:

Quoted:

Zambia Copper Investments Limited—

    Ordinary shares:

    Market value . . . . . £26 506 000

    6 per cent loan stock 1982—

    Market value . . . . . £14 148 000

Other companies—Market value . . . . . £685 000

Unquoted as at 30.6.70—

    6 per cent loan stock 1978 . . . . . £1 764 000

    Unquoted subsidiaries, at cost . . . . . £2 729 000

Other companies, at cost, less amounts written off . . . . . £7 889 000

Loans, less amounts written off . . . . . £3 441 000

*The boilers, pipes and ducting of the new Longannet power station in Scotland—the largest of its kind in Western Europe—are being insulated by Cape Asbestos, a subsidiary of Charter Consolidated*

### Administered outside the Anglo American Corporation Group

#### Charter Consolidated Limited

Charter is a London-based international mining and finance company. Its main investments are in mining and allied activities, including the mining of gold and uranium, copper, diamonds, iron ore, platinum, tin, vanadium, wolfram, coal and potash, and the production of oil and natural gas.

Based on the stock exchange value of quoted investments and the directors' valuation of unquoted investments, Charter had assets to a total value of £6 000 at 31st March 1970. The following is an approximate geographical analysis of these assets takes into consideration direct interests and possible major indirect interests in the areas concerned.

	£000's
United Kingdom .....	70 438
Continental Europe .....	11 696
America .....	73 780
North America .....	128 792
South America .....	19 927
South Africa .....	12 204
Malaysia .....	2 968
Australia .....	43 701
	<b>363 506</b>

South Africa provided 39.8 per cent of Charter's investment income, followed by Zambia with 23.8 per cent and the United Kingdom with 14.2 per cent.

In the United Kingdom, the Charter group and Imperial Chemical Industries Limited each have a 10 per cent interest in Cleveland Potash Limited, a company formed to exploit a large potash deposit in North Yorkshire. During the year, Charter increased its holding in The Cape Asbestos Company Limited to 31.5 per cent. The principal business of the Cape group consists of the mining of asbestos fibre in South Africa and the manufacture of building, insulation and friction materials, and light engineering products, in the United Kingdom, South Africa and Continental Europe.

With effect from 30th June 1970, Charter acquired 1 117 968 shares in Selection Trust Limited and a group of United Kingdom investment companies with a portfolio of quoted investments, together valued at £16 529 000, in exchange for the issue of 5 770 976 new Charter shares. This increased Charter's holding in Selection Trust from 26.8 per cent to 32.9 per cent.

On the continent of Europe, Charter's investments include a 41.2 per cent interest in Beralt Tin and Wolfram Limited, a company which mines tin and wolfram in Portugal. In partnership with the Engelhard Minerals and Chemicals Corporation, Charter is in the course of investigating mineral prospects in Spain.

In North America, Charter has a 24.7 per cent interest in Anglo American Corporation of Canada Limited, a mining finance company which has a 28.0 per cent interest in Hudson Bay Mining and Smelting Co. Limited, a company engaged in copper and zinc production with interests in oil and gas and die-casting. Charter also holds 44.7 per cent of Western Decalta Petroleum Limited which is engaged in the exploration for, and production of, oil and gas.

South African investments include a 10 per cent holding in Anglo American Corporation of South Africa Limited, a 15.9 per cent holding in Rand Mines Limited, 10 per cent in Union Corporation Limited, and 20.4 per cent in Transvaal Consolidated Land and Exploration Company Limited.

Following the acquisition by the Zambian Government of a 51 per cent interest in the Zambian copper mining companies of the Anglo American Corporation and Roan Selection Trust groups, Charter's copper interests in Zambia are now held through a 22.87 per cent interest in Zambia Anglo American Limited (Z.A.A.) which has a 50.798 per cent interest in Zambia Copper Investments Limited (Z.C.I.). The latter company holds, *inter alia*, 49 per cent of the equity of Nchanga Consolidated Copper Mines Limited and 12.25 per cent of the equity of Roan Consolidated Mines Limited. Both Z.A.A. and Z.C.I. are incorporated in Bermuda.

Elsewhere in Africa, Charter has a 33.5 per cent interest in Société Minière de Mauritanie. Commencement of production of copper concentrates at the Akjoujt mine in Mauritania, was delayed chiefly by late delivery of important items of equipment.

In September 1970 it was announced that an international consortium, led by Charter and including Standard Oil of Indiana, Mitsui and Company, Bureau de Recherches Géologiques et Minières and Leon Templesman and Son, had concluded two agreements with the Government of the Democratic Republic of the Congo. These agreements provide for exploration for copper and other minerals over extensive areas bordering the Gecomin concession and for carrying out confirmatory drilling and a feasibility study of important known copper occurrences in the Tenke Fungurume area.

Charter has a 25.1 per cent interest in Tronoh Mines Limited, which has large investments in the Malaysian tin industry.

In Australia, Charter is engaged in a number of exploration ventures, largely concentrated in Western Australia. It also has a 30 per cent interest in a merchant banking company, International Pacific Corporation Limited.

*Year ended 31st March 1970.*

Issued capital: £24 738 239 in 98 952 955 shares of 25p each.

Share capital and reserves (consolidated):

£141 966 000.

	1970	1969
Fixed assets (less depreciation) .....	£19 578 000	£3 315 000
Book cost of unquoted investments .....	£45 552 000	£36 636 000
Book cost of quoted investments .....	£92 836 000	£104 911 000
Market value of quoted investments .....	£273 822 000	£330 230 000
Directors' valuation of unquoted investments .....	£52 137 000	£52 996 000
Profit after taxation, deduction of minority shareholders' interests, and pre-acquisition profits of subsidiaries .....	£12 998 000	£10 120 000
Earnings per ordinary share .....	13.5p	10.5p
Dividends (gross):		
Amount paid .....	£7 422 000	£6 522 000
Per share .....	1s 6d	1s 4d
	(7.5p)	(6.5p)

*Note: All amounts are expressed in United Kingdom currency.*

### De Beers Industrial Corporation Limited

An industrial finance and investment company whose main asset is a direct and indirect interest of approximately 42.5 per cent in the issued ordinary share capital of African Explosives and Chemical Industries Limited.

Features from the consolidated accounts of the company and its wholly-owned subsidiary:

*Year ended 31st December 1970.*

Issued capital: R24 000 000 in 1 000 000 5½ per cent cumulative preference shares of R2 each and 11 000 000 ordinary shares of R2 each.

Share capital and reserves: R44 922 000.

1970 1969

Book cost of unquoted investments* .....	R29 629 000	R30 144 000
Book cost of quoted investments .....	R14 921 000	R15 074 000
Market value of quoted investments .....	R37 468 000	R47 605 000
Net asset value per share** .....	R8.92	R11.10
Profit before taxation .....	R5 487 000	R5 175 000
Taxation .....	Nil	R5 000
Profit after taxation and preference dividend .....	R5 377 000	R5 060 000
Earnings per ordinary share .....	48.9c	46c
Dividends:		
Ordinary:		
Amount paid .....	R4 125 000	R4 125 000
Per share .....	37½c	37½c

\*Includes the corporation's 50 per cent interest in the unquoted company Afex Holdings (Proprietary) Limited, having a book cost of R23 907 000. The market value of the 24 075 000 shares in AE&CI (representing 30 per cent of AE&CI) which the corporation exchanged for shares in Afex Holdings amounted to R56 576 000 (1969: R71 743 000).

\*\*Includes the market value of the shares in AE&CI held by Afex Holdings (Proprietary) Limited.

The company's principal interests at 31st December 1970 were in the following companies:

	Shares held	Percentage
Afex Holdings (Proprietary) Limited .....	500 000	50.00
African Explosives and Chemical Industries Limited .....	10 050 000	12.52
Anglo American Industrial Corporation Limited .....	1 476 562	8.32
Highveld Steel and Vanadium Corporation Limited .....	3 478 400	6.18
International Pipe and Steel Investments South Africa (Proprietary) Limited .....	*329 862	.47
Kimberley Engineering Works Limited .....	400 000	50.00
Mainstraat Beleggings (1965) (Eiendoms) Beperk .....	136 875	7.50
Northern Lime Company Limited .....	100 000	5.37
South African Nylon Spinners (Proprietary) Limited .....	4 754 750	37.50
Middelburg Steel and Alloys (Proprietary) Limited .....	97 500	.53
Vierfontein Colliery Limited ..	838 506	20.96

\*These shares were acquired in exchange for 200 050 shares in Stewarts and Lloyds of South Africa Limited.



**Hollandstraat-ses Beleggings  
(Eiendoms) Beperk**

The company, a subsidiary of Federale Mynbou Beperk, was formed in 1963 by Anglo American Corporation of South Africa Limited and Federale Mynbou Beperk, and has a substantial shareholding in General Mining and Finance Corporation Limited.

**Union Acceptances Holdings Limited**

Union Acceptances Holdings Limited (UAHL) holds the entire issued share capital of Union Acceptances Limited which offers a complete range of merchant banking services. In addition, the bank acts as managers to First Union General Investment Trust Limited (FUGIT) a closed end investment trust company which held investments with a market value in excess of R44 million at 31st December 1970.

The major equity investments of the group include interests in FUGIT, National Board of Executors Limited, a nation-wide executor, trust and real estate administration company, Randles Bros. and Hudson Limited, C.T. Bowring and Associates Holdings (South Africa) Limited, Priority Investment Trust Limited, a company which invests in preference shares, as well as investments in the three property-owning companies, Anglo American Properties Limited, Retail and General Properties Limited and Land Investment and Development Corporation Limited. These interests are held through the wholly-owned subsidiary companies U.A.L. Investments Limited and U.A.L. Properties Limited. The former company also holds the entire capital of U.A.L. Management Company Limited which is the management company of the U.A.L. Mutual Fund, which had investments with a market value in excess of R22 million at 31st December 1970.

*Year ended 31st December 1970.*

Issued capital: R6 194 000 in shares of R1 each.

	1970	1969
Total share capital and disclosed reserves .....	R15 160 000	R14 068 000
Deposits, current and other accounts .....	R67 230 000	R83 642 000
Acceptances and guarantees .....	R83 745 000	R81 029 000
Net profit (after provision for transfer to the inner reserves of Union Acceptances Limited) ...	R1 658 000	R1 857 000
Earnings per ordinary share .....	26.77c	30.05c
Dividends:		
Amount paid .....	R618 000	R618 000
Per share .....	10c	10c

**West Witwatersrand Areas Limited**

Financial and exploration company administered by Gold Fields of South Africa Limited with substantial holdings in gold and gold-uranium mining companies.

During the year the company disposed of its holding of the entire issued capital of Carletonville Estates Limited (an unquoted property investment company) in exchange for a 13.5 per cent shareholding in New Durban Gold and Industrials Limited, a quoted company which holds the main property interests of the Gold Fields group in South Africa.

*Year ended 30th June 1970.*

Issued capital: R2 679 475 in 10 717 898 ordinary shares of 25 cents each.

Share capital and reserves: R47 345 254.

	1970	1969
Book cost of unquoted investments .....	R758 949	R608 950
Book cost of quoted investments .....	R42 050 685	R44 265 854
Market value of quoted investments .....	R113 232 375	R154 629 499
Net asset value per share .....	R11.08	R14.63
Consolidated profit before taxation .....	R7 297 166	R5 026 771
Taxation .....	R60 267	R163 977
Consolidated profit after taxation .....	R7 236 899	R4 862 794
Earnings per ordinary share .....	67.5c	45.4c
Dividends:		
Amount paid .....	R4 823 054	R4 823 054
Per share .....	45c	45c

At 30th June 1970 the company's principal investments were as follows:

<b>Quoted investments</b>	<i>Shares held</i>	<i>Percentage</i>
Blyvoortuizicht Gold Mining Company Limited .....	2 801 680	11.7
Doornfontein Gold Mining Company Limited .....	1 826 305	18.6
East Driefontein Gold Mining Company Limited .....	8 492 895	26.9
Elsburg Gold Mining Company Limited—stock .....	417 194	1.3
Kloof Gold Mining Company Limited—ordinary .....	4 800 000	21.6
Kloof Gold Mining Company Limited—combined units .....	4 248 590	53.1
Libanon Gold Mining Company Limited .....	2 121 496	26.7
New Durban Gold and Industrials Limited .....	1 125 000	13.5
Venterspoort Gold Mining Company Limited .....	646 800	13.2
West Driefontein Gold Mining Company Limited .....	2 788 012	19.8
Western Areas Gold Mining Company Limited—stock .....	450 048	2.2
Western Deep Levels Limited .....	1 350 000	5.4

**Unquoted investments**

Western Ultra Deep Levels Limited .....	150 000	10.0
Westwits Investments Limited* .....	3 712 500	100.0
Lemoen Plaas (Eiendoms) Beperk* .....	1 000	100.0
Zwartkloof Fluorspar Limited .....	375 000	25.0

In addition, through its subsidiary Westwits Investments Limited, West Witwatersrand Areas Limited has a 76 per cent interest in Witwatersrand Deep Limited.

\* Wholly-owned subsidiaries.

# Orange Free State interests

Anglo American Corporation of South Africa Limited has direct shareholdings and, principally through Orange Free State Investment Trust Limited, indirect interests in companies in the Orange Free State goldfield. Operating statistics and brief notes on most of these companies are given below under two headings: administered by Anglo American Corporation; and administered by other mining finance houses.

## Administered by Anglo American Corporation

### Freddies Consolidated Mines Limited

Year ended 30th September 1970.

Issued capital: R2 000 in shares of R2 each, held in equal proportions by Free State Geduld Mines Limited and Western Holdings Limited.

	1970	1969
Tons milled-metric:		
Mine production .....	605 500	445 428
Milled ore from Free State Geduld .....	135 703	138 436
Milled ore from Western Holdings .....	218 101	215 366
	<u>959 304</u>	<u>799 230</u>
Yield—grams/ton .....	16.18	18.09
Cost per ton milled-metric	R8.25	R8.67
Working profit .....	R5 048 000	R5 466 000
Premium on gold sales* ..	R414 000	R697 000
Dividends:		
Amount paid .....	R5 000 000	R5 000 000
Per share .....	R5 000	R5 000

The assessed loss for taxation purposes at 30th September 1970 was estimated at R14 141 000 (1969: R19 109 000).

\* Included in working profit.

### Free State Geduld Mines Limited

Year ended 30th September 1970.

Issued capital: R5 000 000 in shares of 50 cents each.

	1970	1969
Tons milled-metric* .....	1 911 400	1 787 154
Yield—grams/ton .....	31.55	34.63
Cost per ton milled-metric	R8.28	R8.44
Working profit .....	R34 560 000	R38 051 000
Premium on gold sales** ..	R1 666 000	R3 038 000
Taxation and State's share of profit .....	R21 500 000	R25 239 000
Dividends:		
Amount paid .....	R14 000 000	R14 000 000
Per share .....	140c	140c

Ore reserves:

Tons-metric .....	5 122 000	4 528 668
Value-cm-g .....	4 249	4 777

\* In addition, 135 703 (1969: 138 436) tons of milled ore were delivered to Freddie's Consolidated Mines Limited, in which the company has a 50 per cent interest.

\*\* Included in working profit.

### Free State Saaiplaas Gold Mining Company Limited

Wholly-owned subsidiary of President Brand Gold Mining Company Limited.

Year ended 30th September 1970.

Issued capital: R12 491 870 in shares of R1 each.

	1970	1969
Tons milled-metric:		
Mine production .....	1 043 800	1 013 326
Milled ore from President Brand .....	544 000	544 311
	<u>1 587 800</u>	<u>1 557 637</u>

	1970	1969
Yield—grams/ton .....	13.06	13.54
Cost per ton milled-metric	R7.03	R7.04
Working profit—gold .....	R6 178 000	R7 126 000
Premium on gold sales* ..	R584 000	R1 017 000
Uranium profit .....	R41 000	R92 000
Dividends:		
Amount paid .....	R6 246 000	R22 485 000
Per share .....	50c	R1.80

\* Included in working profit.

The assessed loss for taxation purposes at 30th September 1970 was estimated at R3 260 000 (1969: R9 619 000).

Deliveries to Virginia Orange Free State Gold Mining Company Limited in terms of the contract to supply high-grade slimes in order to enable Virginia to produce 363 metric tons of uranium oxide were completed during the year. The company is entitled to 40 per cent of the profit from any sales of uranium oxide produced from its slime.

### Jeannette Gold Mines Limited

The mine was placed on a care-and-maintenance basis in January 1956.

### President Brand Gold Mining Company Limited

Year ended 30th September 1970

Issued capital: R7 020 000 in stock units of 50 cents each.

	1970	1969
Tons milled-metric* .....	2 277 600	2 304 250
Yield—grams/ton .....	21.36	21.94
Cost per ton milled-metric	R7.43	R7.11
Working profit .....	R23 784 000	R26 989 000
Premium on gold sales** ..	R1 399 000	R2 454 000
Taxation and State's share of profit .....	R12 147 000	R15 318 000
Dividends:		
Amount paid .....	R16 146 000	R16 146 000
Per stock unit .....	115c	115c

Ore reserves:

Tons-metric .....	6 756 000	6 813 867
Value-cm-g .....	3 037	3 192

\* In addition, 544 000 (1969: 544 311) tons of milled ore were delivered to Free State Saaiplaas.

\*\* Included in working profit.

### President Steyn Gold Mining Company Limited

Year ended 30th September 1970.

Issued capital: R7 000 000 in shares of 50 cents each.

	1970	1969
Tons milled-metric .....	2 576 000	2 544 654
Yield—grams/ton .....	12.14	11.35
Cost per ton milled-metric	R7.39	R7.30
Working profit .....	R7 077 000	R6 241 000
Premium on gold sales* ..	R848 000	R1 424 000
Taxation and State's share of profit .....	R446 000	R109 000
Dividends:		
Amount paid .....	R2 100 000	R2 100 000
Per share .....	15c	15c

Ore reserves:

Tons-metric .....	6 254 000	5 905 774
Value-cm-g .....	1 679	1 576

\* Included in working profit.

The new No. 4 shaft, which is being sunk in the southern portion of the mining lease area, reached a depth of 1 868.7 metres at 30th September 1970.

### Welkom Gold Mining Company Limited

Year ended 30th September 1970.

Issued capital: R6 125 000 in shares of 50 cents each.

	1970	1969
Tons milled-metric .....	2 179 000	2 159 100
Yield—grams/ton .....	11.10	11.35
Cost per ton milled-metric	R7.25	R7.13
Working profit .....	R4 396 000	R5 643 000
Premium on gold sales* ..	R644 000	R1 194 000
Taxation .....	R1 575 000	R2 637 000
Dividends:		
Amount paid .....	R2 266 000	R2 450 000
Per share .....	18½c	20c

Ore reserves:

Tons-metric .....	4 754 000	4 881 562
Value-cm-g .....	1 580	1 559

\* Included in working profit.

### Western Holdings Limited

Year ended 30th September 1970.

Issued capital: R3 748 188 in shares of 50 cents each.

	1970	1969
Tons milled-metric* .....	2 690 000	2 536 489
Yield—grams/ton .....	21.44	21.79
Cost per ton milled-metric	R6.80	R6.49
Working profit .....	R29 870 000	R31 053 000
Premium on gold sales** ..	R1 553 000	R2 801 000
Taxation and State's share of profit .....	R18 891 000	R19 942 000
Dividends:		
Amount paid .....	R11 994 000	R11 994 000
Per share .....	160c	160c

Ore reserves:

Tons-metric .....	6 709 700	6 414 705
Value-cm-g .....	2 800	2 913

\* In addition, 218 101 (1969: 215 366) tons of milled ore were delivered to Freddie's Consolidated Mines Limited in which the company has a 50 per cent interest.

\*\* Included in working profit.

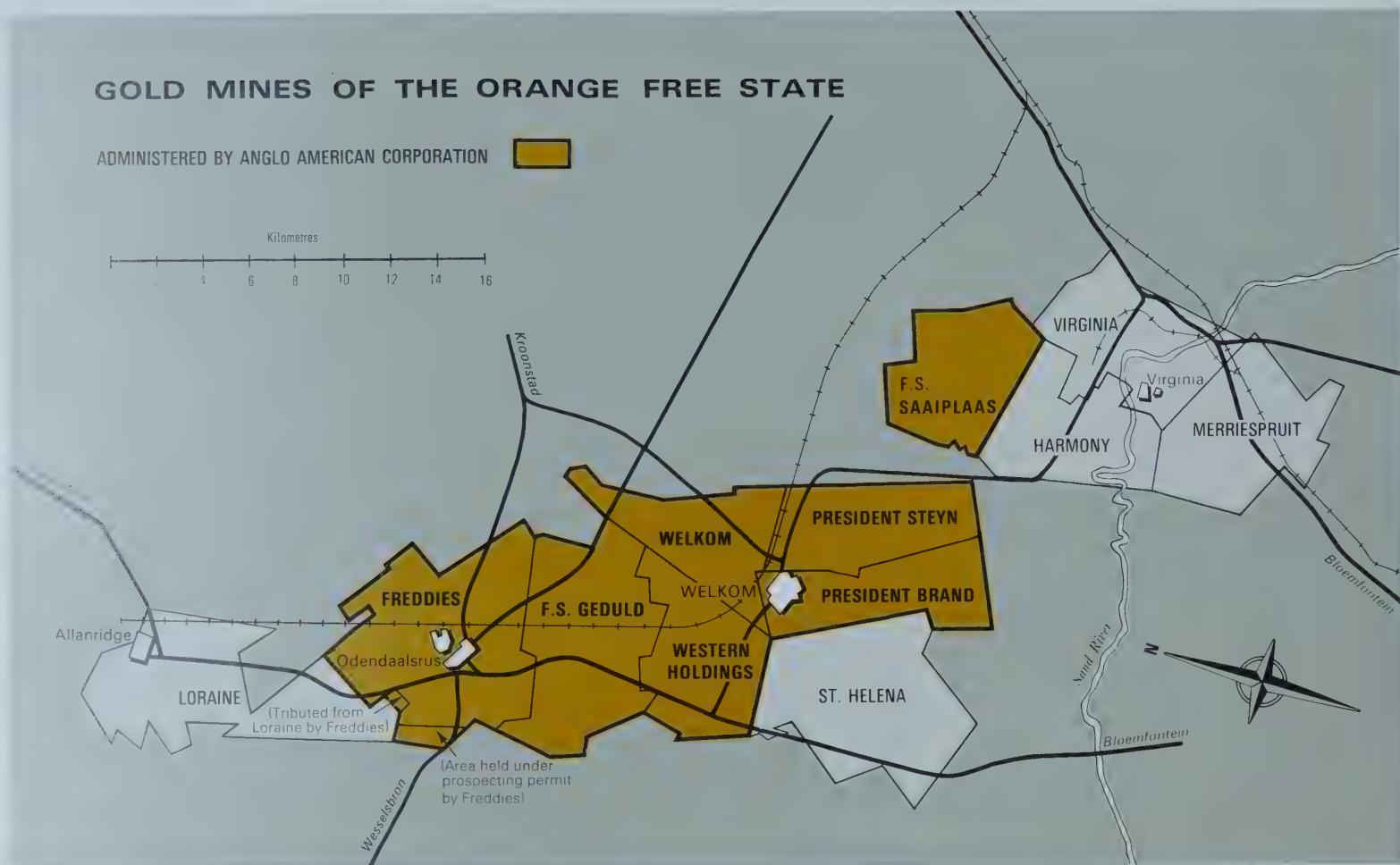
### Anglo American (O.F.S.) Housing Company Limited

The company provides housing in the Orange Free State for employees of associated companies. At 31st December 1970 the cost of stands, houses, flats and hostels owned by the company amounted to R28 248 092.

### Inter-Mine Services O.F.S. (Proprietary) Limited

The company supplies stores and materials to certain gold mining companies in the Anglo American Corporation Group. Such operations are financed by the companies concerned.

## Orange Free State interests



### Administered by other mining finance houses

#### Harmony Gold Mining Company Limited

Year ended 30th June 1970

Issued capital: R9 000 000 in shares of 50 cents each.

1970                          1969

Gold value—cm-g§ ..... 2 128        2 003

Uranium value—cm-kg§ .. 37.41        34.07

\*Includes premium on gold sales.

†Includes ore reserves in the Harmony/Merriespruit scheme.

§Excludes Harmony/Merriespruit scheme.

#### Lorraine Gold Mines Limited

Year ended 30th September 1970

Issued capital: R16 067 000 in shares of R1 each.

\*Included in working profit.

#### St. Helena Gold Mines Limited

Year ended 31st December 1970.

Issued capital: R9 625 000 in shares of R1 each.

\*Included in working profit.

## Far West Rand and Klerksdorp interests

### Administered by Anglo American Corporation

#### Vaal Reefs Exploration and Mining Company Limited

Year ended 31st December 1970.

	1970	1969
Issued capital: R5 250 000 in shares of 50 cents each.		
Tons milled—metric .....	2 346 000	2 192 666
Yield—grams/ton .....	15.18	15.93
Cost per ton milled—metric .....	R8.33	R8.25
Working profit—gold .....	R10 049 000	R12 075 000
Premium on gold sales* .....	R848 000	R1 935 000
Uranium—share of Joint Scheme working profit .....	R3 625 000	R4 010 000
Working profit—sulphuric acid** .....	R27 000	R194 000
Taxation .....	Nil	R67 000
Dividends:		
Amount paid .....	R5 250 000	R5 250 000
Per share .....	50c	50c
Ore reserves:		
Tons—metric .....	5 802 000	5 736 000
Value gold—cm-g .....	1 925	2 020
Uranium value—cm-kg .....	41.30	41.95

\* Included in working profit.

\*\* Production began 1.1.69.

A proposed scheme to rationalise and extend its operations in conjunction with Southvaal Holdings Limited, Western Reefs Exploration and Development Company Limited and Western Holdings Limited, was announced on 7th December 1970.

#### Western Deep Levels Limited

Year ended 31st December 1970.

	1970	1969
Issued capital: R50 000 000 in shares of R2 each.		
Tons milled—metric .....	3 171 000	3 115 273
Yield—grams/ton .....	19.05	20.46
Cost per ton milled—metric .....	R7.74	R7.53
Working profit—gold .....	R25 869 000	R31 802 000
Premium on gold sales* .....	R1 570 000	R3 712 000
Taxation and State's share of profit** .....	Nil	Nil
Dividends:		
Amount paid .....	R16 250 000	R16 250 000
Per ordinary share .....	65c	65c
Ore reserves:		
Tons—metric .....	4 548 000	4 316 386
Gold value—cm-g .....	2 752	2 752
Uranium value—cm-kg† .....	23.92	24.70

\* Included in working profit.

\*\* The assessed loss for taxation purposes at 31st December 1970 was estimated at R28 512 000 (1969: R42 230 000).

† Applicable to Carbon Leader Reef only.

#### Western Reefs Exploration and Development Company Limited

Year ended 31st December 1970.

	1970	1969
Issued capital: R8 500 000 in shares of 50 cents each.		
Tons milled—metric .....	1 948 200	1 898 738
Yield—grams/ton .....	12.35	12.27
Cost per ton milled—metric .....	R8.10	R7.56
Working profit—gold .....	R4 248 000	R5 721 000
Premium on gold sales* .....	R611 000	R1 263 020
Working profit—sulphuric acid .....	R105 000	R98 000

Anglo American Corporation of South Africa Limited has direct shareholdings and, principally through West Rand Investment Trust Limited, indirect interests in companies in the Far West Rand and Klerksdorp areas. Operating statistics and brief notes on most of these companies are given below under two headings: administered by Anglo American Corporation; and administered by other mining finance houses.

	1970	1969
Uranium—share of Joint Scheme working profit .....	R2 221 000	R2 146 000
Taxation and State's share of profits .....	R1 780 000	R2 484 000
Dividends:		

	R1 750 000	R1 750 000
Amount paid .....	25c	25c

Ore reserves:	1970	1969
---------------	------	------

Vaal Reef—	1970	1969
------------	------	------

Tons—metric .....	4 077 000	3 938 000
Gold value—cm-g .....	1 620	1 655
Uranium value—cm-kg .....	39.86	42.60

Ventersdorp Contact Reef and Elsburg Reef—	1970	1969
--	------	------

Tons—metric .....	343 000	485 000
Gold value—cm-g .....	1 307	1 245

\* Included in working profit.

A proposed scheme of rationalisation in conjunction with Vaal Reefs Exploration and Mining Company Limited, Southvaal Holdings Limited and Western Holdings Limited, was announced on 7th December 1970.

### Administered by other mining finance houses

#### Blyvooruitzicht Gold Mining Company Limited

Year ended 30th June 1970.

	1970	1969
Issued capital: R6 000 000 in shares of 25 cents each.		
Tons milled—metric .....	1 804 000	1 594 000
Yield—grams/metric ton .....	20.13	19.84
Cost per ton milled—metric .....	R8.57	R9.00
Working profit—gold .....	R15 137 000	R12 611 000
Premium on gold sales* .....	R1 245 000	R1 292 000

Net loss—uranium after allowing for uranium royalties receivable and payable .....

    R561 000 \*\*R219 000

Taxation and lease payments .....

    R5 958 000 R4 493 000

Dividends:

    Amount paid .....

    R5 760 000 R5 760 000

    Per share .....

    24c 24c

Ore reserves:

    Tons—metric .....

    5 696 000 5 447 000

    Gold value—cm-g .....

    2 414 2 369

    Uranium value—cm-kg .....

    26.19 26.61

\* Included in working profit.

\*\* 1969 figure represents a net profit.

+ In the past it has been customary to apply adjustments to values when estimating ore reserves. As a result of recent improvements in ore reserve valuation techniques, it has been decided to discontinue the former practice and therefore values shown above have not been adjusted. The comparative figures for the previous year are also based on unadjusted values.

Ore reserves:	1970	1969
Tons metric .....	5 445 000	5 529 300
Gold value—cm-g .....	2 417	2 325
Uranium value—cm-kg .....	55.18	52.13

\* Included in working profit.

#### Doornfontein Gold Mining Company Limited

Year ended 30th June 1970.

	1970	1969
--	------	------

Tons milled—metric ton .....	1 397 000	1 415 000
Working costs—per metric ton milled .....	16.5	17.1

Working profit—gold .....	R7 025 387	R8 592 614
---------------------------	------------	------------

Premium on gold sales* .....	R937 321	R986 292
------------------------------	----------	----------

Taxation and lease payments .....	R3 041 632	R3 844 832
-----------------------------------	------------	------------

Dividends:	1970	1969
------------	------	------

Amount paid .....	R2 653 560	R2 260 440
-------------------	------------	------------

Per share .....	27c	23c
-----------------	-----	-----

Ore reserves:	1970	1969
---------------	------	------

Metric tons .....	2 366 000	2 760 000
-------------------	-----------	-----------

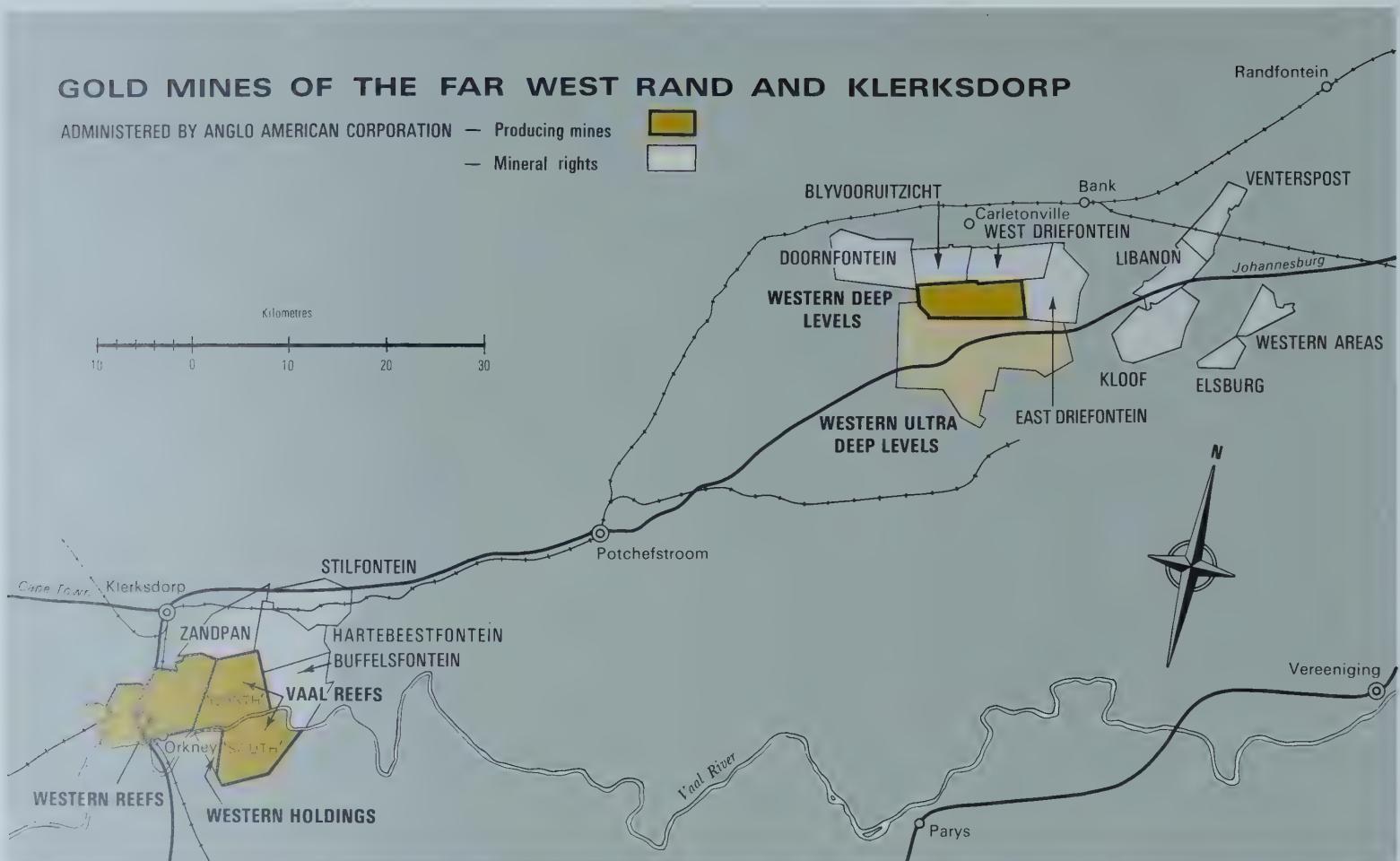
Gold value—grams per metric ton .....	18.3	16.6
---------------------------------------	------	------

\* Included in working profit.

+ In the past it has been customary to apply adjustments to values when estimating ore reserves. As a result of recent improvements in ore reserve valuation techniques, it has been decided to discontinue the former practice and therefore values shown above have not been adjusted. The comparative figures for the previous year are also based on unadjusted values.

The company was incorporated on 3rd May 1968 to take cession of the mining lease granted to West Witwatersrand Areas Limited over 6 956 claims lying immediately to the east of the West Driefontein and Western Deep Levels mines and to conduct gold mining operations in the area. As a result of the flooding of the No. 4 shaft area of West Driefontein in October 1968, the underground workings of East Driefontein were also flooded. Good progress has been made with the drainage of the flooded underground workings. The estimated original inflow rate from the Bank Dolomitic Compartment of 395 megalitres of water a day, had reduced to 309 megalitres a day by the end of December 1970. While some delay in the commencement of milling operations is likely, the maximum milling rate of 181 000 metric tons a month should be achieved during 1976 as previously planned.

In July 1970, the company made a successful rights issue to raise R30 020 000 to finance the continuation of shaft sinking and to bring the mine to production at a milling rate of 45 000 metric tons a month.



### Elsburg Gold Mining Company Limited

Year ended 31st December 1970.

Issued capital: R31 500 000 in stock units of R1 each.

The company was incorporated on 28th December 1965.

Shaft sinking started at the end of November 1966, fullscale sinking began during January 1967 and by 31st December 1970 a depth of 2 392 metres had been reached.

Milling operations began in October 1968.

	1970	1969
Tons milled—metric .....	668 143	564 278
Yield—grams/ton .....	10.72	10.37
Cost per ton milled—metric .....	R8.08	R7.60
Working profit .....	R648 000	R752 000
Premium on gold sales* ..	R133 000	R240 000
Taxation and State's share of profit** ..	Nil	Nil

\* Included in working profit.

\*\* Taxation and State's share of profit do not become payable until profits earned exceed redeemable capital expenditure. At 31st December 1970, the unredeemed capital expenditure amounted to R38 300 000.

### Hartebeestfontein Gold Mining Company Limited

Year ended 30th June 1970.

	1970	1969
Tons milled—metric .....	1 996 000	1 917 000
Yield—grams/ton .....	12.68	12.46
Working costs—per metric ton milled .....	R8.94	R8.96
Working profit—gold .....	R4 414 000	R3 787 000
Premium on gold sales* ..	R950 000	R980 000
Net profit—uranium .....	R3 109 000	R3 297 000
Taxation and lease payments .....	R2 537 000	R1 477 000
Dividends:		
Amount paid .....	R720 000	R900 000
Per share .....	8c	10c
Ore reserves:		
Tons—metric .....	7 023 000	7 937 000
Value gold—grams/ton .....	14.47	13.97
Value uranium—kg/t .....	0.21	0.23

\* Included in working profit.

### Kloof Gold Mining Company Limited

Year ended 30th June 1970.

Issued capital: R37 838 433 in 22 241 650 ordinary shares of R1 each, fully paid, and 7 998 350 combined units comprising 7 998 350 'A' shares of R1 each, fully paid, and R7 598 433 unsecured non-interest-bearing loan stock.\*

	1970	1969
Tons milled—metric .....	1 817 000	813 000
Yield—grams per metric ton .....	16.6	16.7
Working costs—per metric ton milled .....	R7.88	R8.76
Working profit .....	R10 952 663	R4 348 504
Premium on gold sales** ..	R903 734	R515 173
Taxation and State's share of profits .....	Nil	Nil
Dividend on ordinary shares:		
Amount paid .....	R1 112 083	—
Per share .....	5c	—

Ore reserves†:	1970	1969
Tons—metric .....	2 574 000	1 797 000
Value—cm-g .....	2 975	2 979

\* Each 'A' share, together with an amount of unsecured non-interest-bearing loan stock, constitute one combined unit. The non-interest-bearing loan stock is redeemable.

\*\* Included in working profit.

† In the past it has been customary to apply adjustments to values when estimating ore reserves. As a result of recent improvements in ore reserve valuation techniques, it has been decided to discontinue the former practice and therefore values shown above have not been adjusted. The comparative figures for the previous year are also based on unadjusted values.

Ore reserves:	1970	1969
Tons—metric:		
Carbon Leader Reef†	3 925 000	4 290 000
Ventersdorp Contact Reef .....	1 631 000	1 481 000
Value—grams/ton:		
Carbon Leader Reef .....	35.8	33.6
Ventersdorp Contact Reef .....	28.7	26.2

\* Included in working profit.

† In the past it has been customary to apply adjustments to values when estimating ore reserves. As a result of recent improvements in ore reserve valuation techniques, it has been decided to discontinue the former practice and values shown above have not been adjusted. The comparative figures for the previous year's estimate also reflect the value prior to adjustment. The figures for both periods include the Ventersdorp Contact Reef ore reserve in the flooded No. 4 shaft area.

### Lebanon Gold Mining Company Limited

Year ended 30th June 1970.

Issued capital: R7 937 300 in shares of R1 each.

	1970	1969
Tons milled—metric .....	1 430 000	1 430 000
Yield—grams per metric ton .....	14.1	12.8
Working costs—per metric ton milled .....	R7.37	R7.03
Working profit* .....	R6 767 957	R5 547 157
Premium on gold sales** ..	R803 294	R723 405
Taxation and lease payments .....	R3 670 573	R2 586 608
Dividends:		
Amount paid .....	R2 460 563	R1 984 325
Per share .....	31c	25c
Payable ore reserves†:		
Tons—metric:		
Main Reef .....	856 000	1 102 000
Ventersdorp Contact Reef .....	1 180 000	1 239 000
Value—cm-g:		
Main Reef .....	1 802	1 635
Ventersdorp Contact Reef .....	3 528	2 989

\* Includes profit from pyrite R184 567 (1969: R30 219)

\*\* Included in working profit.

† In the past it has been customary to apply adjustments to values when estimating ore reserves. As a result of recent improvements in ore reserve valuation techniques, it has been decided to discontinue the former practice and therefore values shown above have not been adjusted. The comparative figures for the previous year are also based on unadjusted values.

### Western Areas Gold Mining Company Limited

Year ended 31st December 1970.

Issued capital: R20 675 000 in stock units of R1 each.

	1970	1969
Tons milled—metric .....	2 433 121	2 449 440
Yield—grams/ton .....	9.08	9.03
Cost per ton milled—metric .....	R6.47	R5.99
Working profit .....	R3 700 000	R5 386 000
Premium on gold sales* ..	R694 000	R1 498 000
Taxation and lease payments .....	Nil	Nil
Dividends:		
Amount paid .....	R1 240 000	R1 137 000
Per share .....	6c	5½c
Payable ore reserves:		
Tons—metric .....	5 221 029	5 265 389
Value—cm-g .....	1 852	1 776

\* Included in working profit.

	1970	1969
Tons milled—metric .....	947 000	974 000
Yield—grams/ton .....	11.22	12.08
Cost per ton milled—metric .....	R10.26	R9.24
Working loss—gold* .....	R698 000	R1 326 000
Premium on gold sales** ..	R271 000	R695 000
Profit from sales of uranium oxide .....	R152 000	R383 000
Taxation and lease payments .....	Nil	Nil
Ore reserves:		
Tons—metric .....	1 776 000	2 047 000
Gold value—gm/t .....	14.42	13.54
Uranium value—kg/t .....	0.34	0.33

\* 1969 figure represents a working profit.

\*\* Included in working loss.

### West Driefontein Gold Mining Company Limited

Year ended 30th June 1970.

Issued capital: R14 082 160 in shares of R1 each.

	1970	1969
Tons milled—metric .....	2 613 000	2 158 000
Yield—grams per metric ton milled .....	31.4	28.1
Working costs—per metric ton milled .....	R10.56	R11.56
Working profit—gold .....	R41 600 331	R28 972 583
Premium on gold sales* ..	R2 792 268	R2 407 747
Taxation and State's share of profits .....	R23 810 949	R16 006 130
Dividends:		
Amount paid .....	R14 082 160	R10 561 620
Per share .....	100c	75c

## Rand and Kinross interests

Anglo American Corporation of South Africa Limited has direct shareholdings and/or, through Rand Selection Corporation Limited, indirect interests in mining companies on the Rand and in the Kinross area. Operating statistics and brief notes on most of these companies are given below under two headings: administered by Anglo American Corporation; and administered by other mining finance houses.

### Administered by Anglo American Corporation

#### Daggafontein Mines Limited

*Year ended 31st December 1970.*

Issued capital: R3 500 000 in shares of 50 cents each.

Clean-up operations ended at the end of 1968, and the last revenue from this source, and from the sale of sulphuric acid, was received early in 1969. Most of the company's realisable assets have been disposed of. The remaining assets are of little value.

The company paid a dividend of three cents a share in 1970.

#### East Daggafontein Mines Limited

*Year ended 31st December 1970.*

Issued capital: R3 730 000 in shares of R1 each.

	1970	1969
Tons milled—metric .....	1 621 200	1 602 996
Yield—grams/ton .....	5.31	5.66
Cost per ton		
milled—metric .....	R4.52	R4.51
Working loss* .....	R148 000	R660 000
Premium on gold sales** ..	R230 000	R547 000
Taxation and State's share of profit .....	R16 000	R59 000
Dividends:		
Amount paid .....	R410 000	R410 000
Per share .....	11c	11c

#### Ore reserves:

Tons—metric .....	1 347 500	2 109 205
Value—cm-g .....	999	936

\*1969 figure represents a working profit.

\*\*Accounted for in working loss.

The company's mine is classified as an assisted mine in terms of the Gold Mines Assistance Act No. 82 of 1968.

#### The South African Land & Exploration Company Limited

*Year ended 31st December 1970.*

Issued capital: R1 155 000 in shares of 35 cents each.

	1970	1969
Tons milled .....	1 245 000	1 247 379
Yield—grams/ton .....	7.84	8.45
Cost per ton milled—metric	R6.08	R6.04
Working profit .....	R541 000	R1 553 000
Premium on gold sales* ..	R246 000	R587 000
Taxation and State's share of profit .....	R69 000	R54 000
Dividends:		
Amount paid .....	R1 155 000	R693 000
Per share .....	35c	21c

#### Ore reserves:

Tons—metric .....	1 389 000	1 506 109
Value—cm-g .....	1 470	1 389

\*Included in working profit.

The company's mine is classified as an assisted mine in terms of the Gold Mines Assistance Act No. 82 of 1968.

### Administered by other mining finance houses

#### Bracken Mines Limited

*Year ended 31st December 1970.*

Issued capital: R14 000 000 in shares of R1 each.

	1970	1969
Tons milled—metric .....	979 000	975 200
Yield—grams/ton .....	13.89	14.71
Cost per ton		
milled—metric .....	R6.45	R6.16
Working profit .....	R5 218 000	R6 654 000
Premium on gold sales* ..	R357 000	R936 000
Taxation .....	R2 485 000	R3 200 000
Dividends:		
Amount paid .....	R2 520 000	R2 800 000
Per share .....	18c	20c

Payable ore reserves:  
Tons—metric .....

2 000 000	2 358 700
1 747	1 759

\*Included in working profit.

#### Leslie Gold Mines Limited

*Year ended 31st December 1970.*

Issued capital: R16 000 000 in shares of R1 each.

	1970	1969
Tons milled—metric .....	1 566 000	1 620 200
Yield—grams/ton .....	8.90	9.75
Cost per ton		
milled—metric .....	R5.19	R4.92
Working profit .....	R3 585 000	R6 065 000
Premium on gold sales* ..	R363 000	R1 098 000
Taxation .....	R1 449 000	R2 651 000
Dividends:		
Amount paid .....	R2 240 000	R2 480 000
Per share .....	14c	15.5c

Payable ore reserves:  
Tons—metric .....

2 500 000	2 812 300
1 250	1 524

\*Included in working profit.

#### Winkelhaak Mines Limited

*Year ended 31st December 1970.*

Issued capital: R12 000 000 in shares of R1 each.

	1970	1969
Tons milled—metric .....	1 823 000	1 721 000
Yield—grams/ton .....	10.22	10.11
Cost per ton		
milled—metric .....	R6.11	R6.36
Working profit .....	R4 430 000	R4 296 000
Premium on gold sales* ..	R453 000	R1 061 000
Taxation and lease payments .....	R2 242 000	R1 805 000
Dividends:		
Amount paid .....	R1 320 000	R1 200 000
Per share .....	11c	10c

Payable ore reserves:  
Tons—metric .....

4 500 000	4 536 000
2 035	1 981

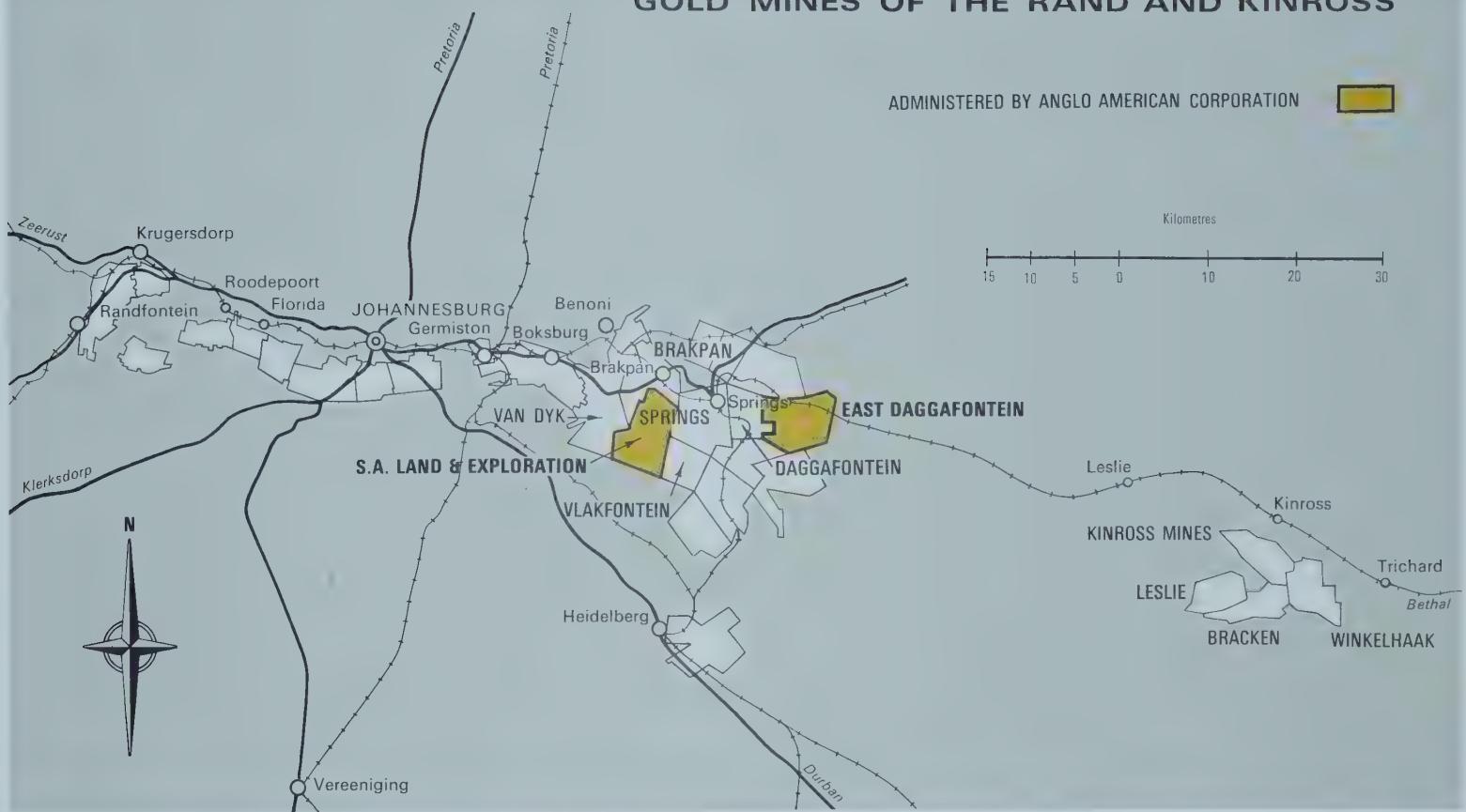
\*Included in working profit.

## GOLD MINES OF THE RAND AND KINROSS

ADMINISTERED BY ANGLO AMERICAN CORPORATION



Kilometres  
15 10 5 0 10 20 30



## Diamond interests

### **De Beers Consolidated Mines Limited**

At Kimberley the company operates the De Beers and Wesselton mines which it owns and the Dutoitspan and Bultfontein mines which are leased from subsidiary companies. North-west of Kimberley, at Lime Acres, the company operates the Finsch mine. In the Orange Free State the company leases, from a subsidiary company, the Jagersfontein mine which however, reached the end of its life and will production at the end of May 1971. The old fiefontein mine is currently being re-opened in with the closure of Jagersfontein. At Orapa in swana, production is expected to begin during

he company owns a large number of farms in ualand and carries out alluvial diamond operations over Annex Kleinzee, Dreyer's Koingnaas.

dition, the De Beers group has large interests gold, copper, platinum, coal and mals and in a number of industrial and companies. Its subsidiary, De Beers Industrial Limited, has an interest, directly and about 42 per cent in African Explosives mical Industries Limited.

the year The Diamond Corporation became a wholly-owned subsidiary of the group.

st December 1970.

pital: R21 843 478 in 800 000 preference shares of R5 each and 356 869 557 deferred shares of R2 each.

RS FROM THE CONSOLIDATED ACCOUNTS:

	1970	1969
Capital	R3 978 000	R3 978 000
Reserves	R540 482 000	R491 162 000
Long-term loans	R30 356 000	R23 147 000
Other interests	<u>R51 387 000</u>	<u>R87 380 000</u>
	<u>R626 203 000</u>	<u>R605 667 000</u>
Diamond mining and trading assets*	R83 601 000	R74 742 000
Diamonds on hand	R184 019 000	R95 569 000
Invested investments	R191 714 000	R196 335 000
Market value of quoted investments	(R357 480 000)	(R448 290 000)
Investments	R105 799 000	R77 546 000
Long-term loans	R18 323 000	R17 264 000
Net current assets	R34 990 000	R137 749 000
Others	<u>R7 757 000</u>	<u>R6 462 000</u>
	<u>R626 203 000</u>	<u>R605 667 000</u>
Diamond account	R88 535 000	R148 892 000
Interest and dividends on investments	R44 285 000	R52 111 000
Royalties and other revenue	<u>R4 429 000</u>	<u>R7 336 000</u>
Less: Lease, prospecting, interest and other charges	<u>R17 325 000</u>	<u>R15 677 000</u>
Consolidated profit before tax	R119 924 000	R192 662 000
Taxation and Government's share of profits under mining leases	<u>R35 889 000</u>	<u>R67 105 000</u>

The Corporation has a direct interest in De Beers Consolidated Mines Limited and, through its holding in Anglo American Investment Trust Limited, a considerable indirect interest in the De Beers group of companies. A short summary of these companies is given hereunder.

	1970	1969
Consolidated profit after tax .....	R84 035 000	R125 557 000
Minority interest and preference dividend .....	<u>R8 871 000</u>	<u>R14 856 000</u>
	<u>R75 164 000</u>	<u>R110 701 000</u>
Add: Interest in undistributed profit of subsidiaries not consolidated .....	<u>R1 874 000</u>	<u>R1 971 000</u>
Attributable to deferred shareholders .....	R77 038 000	R112 672 000
Per share .....	21.6c	33c
Dividend paid .....	R49 153 000	R47 699 000
Per share .....	14c	14c

\*Includes shares in subsidiary companies not consolidated R16 497 000 (1969: R17 916 000).

The De Beers company has a direct interest of 98.25 per cent in the ordinary shares and a direct and indirect interest of 36.28 per cent in the preference shares of this company which operates the open-cast workings along the southern portion of the coast of South West Africa. Consolidated Diamond Mines is the largest producer of gem diamonds in the world and production above high water mark in diamond area No. 1 in 1970 totalled 1 509 279 carats compared with 1 696 702 carats in 1969.

### **Premier (Transvaal) Diamond Mining Company Limited**

Issued capital: R160 000 in 160 000 preference shares of 50 cents each and 320 000 deferred shares of 25 cents each.

The De Beers group holds 98.39 per cent of the deferred shares and 93.48 per cent of the preference shares of this company which operates the Premier Mine near Pretoria in the Transvaal.

This mine produced 2 490 103 carats for the year—principally of industrial quality—as compared with 2 522 162 carats in 1969.

### **Ultra High Pressure Units Limited**

Issued capital: R4 500 000 in 2 250 000 shares of R2 each.

De Beers has a 50 per cent interest in this company, which manufactures synthetic diamonds in South Africa.

### **Ultra High Pressure Units (Ireland) Limited**

Issued capital: £345 000 in 345 000 shares of £1 each. De Beers has a 50 per cent interest in this company, which manufactures synthetic diamonds in Ireland.

### **Synthetic Diamond Company Limited**

Issued capital: £306 000 in 306 000 shares of £1 each.

The company was formed during 1967 as a wholly-owned subsidiary of De Beers in Ireland to provide technical expertise to the synthetic producing companies within the group.

### **De Beers Holdings Limited**

Issued capital: R45 700 000 in 22 850 000 shares of R2 each.

This company holds investments in mining, industrial and financial companies, and finances to a large extent prospecting companies outside South Africa. Its subsidiaries include Debold (Canada) Limited, which has a substantial shareholding in Anglo American Corporation of Canada Limited.

### **Industrial Distributors (1946) Limited**

Issued capital: R1 500 000 in 500 000 five per cent cumulative participating preference shares of 50 cents each and 2 500 000 ordinary shares of 50 cents each.

### **Industrial Distributors (Sales) Limited**

Issued capital: R200 000 in 100 000 shares of R2 each.

These two companies are concerned with drilling and the marketing of those types of industrial diamonds commonly known as boart, which are being used increasingly in industry for a variety of purposes.

### **The Consolidated Diamond Mines of South West Africa Limited**

Issued capital: R9 980 000 in 4 480 000 7½ per cent cumulative preference shares of R1 each and 5 500 000 ordinary shares of R1 each.

## DIAMOND MINES OF SOUTH AFRICA AND SOUTH WEST AFRICA

- Producing Mines
- Developing Mines

□ ORAPA

Kilometres  
50 0 50 100 150 200 250

SOUTH WEST AFRICA

N

MARINE DIAMOND CORPORATION  
CONSOLIDATED DIAMOND MINES  
Oranjemund  
Port Nolloth  
DREYERS PAN, ANNEX KLEINZEE, TWEEPAD  
Kleinzee  
KOINGNAAS  
Hondeklipbaai

BOTSWANA

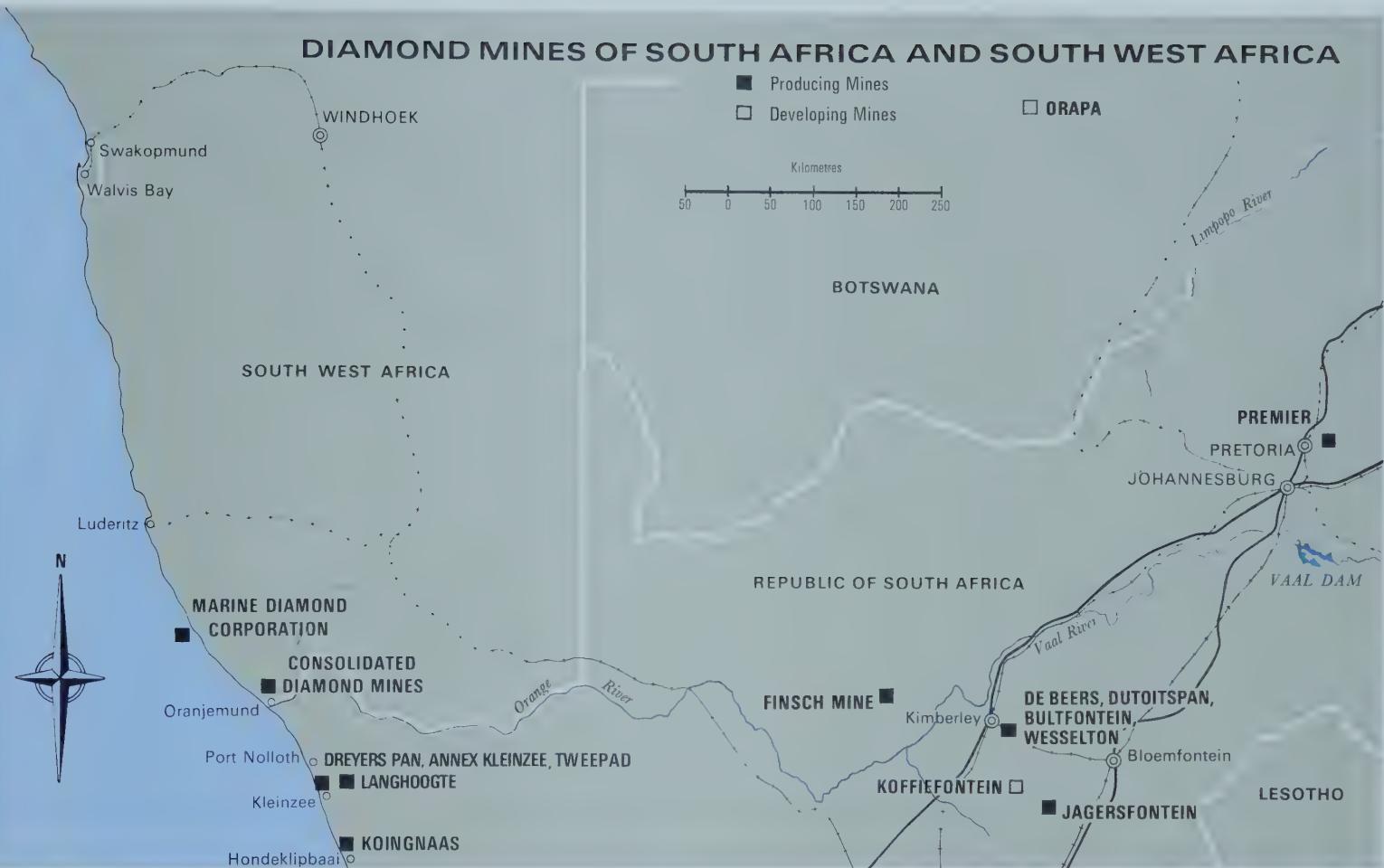
REPUBLIC OF SOUTH AFRICA

FINSCH MINE ■  
DE BEERS, DUTOITSPAN,  
BULTFONTEIN,  
WESSELTON ■  
KOFFIEFONTEIN □  
Bloemfontein  
JAGERSFONTEIN ■

PREMIER

VAAL DAM

LESOTHO



# Copper and other mining interests

The Corporation has indirect interests in most of the copper mining companies in Zambia through its holding in Zambian Anglo American Limited. The Corporation also has direct interests in the South African copper mining industry through its holding in The Messina (Transvaal) Development Company Limited. Brief particulars of The Messina (Transvaal) Development Company Limited and the operating mines in Zambia are set out below.

## Managed by the Anglo American Corporation Group

### Nchanga Consolidated Copper Mines Limited

In terms of the Bancroft Scheme of Arrangement which became operative on 26th June 1970, the Government of the Republic of Zambia acquired a 1 per cent interest in Zambian Anglo American Limited's copper mining subsidiaries with effect from 1st January 1970. The mining undertakings of Rhokana Corporation Limited ("Rhokana") Nchanga Consolidated Copper Mines Limited ("Nchanga 1937") and Rhokana Copper Refineries Limited were merged with the undertaking of Bancroft Mines Limited, which thereupon changed its name to Nchanga Consolidated Copper Mines Limited ("Nchanga"), and 51 per cent of its re-organised ordinary share capital, in the form of 62 877 900 "A" ordinary shares of K2 each, were acquired by Zambia Industrial and Mining Corporation Limited ("Zimco") on behalf of the Government of Zambia in exchange for U.S.\$178 698 992 of Zimco 6 per cent fully paid loan stock 1982 guaranteed by the Government.

The loan stock and the remaining 49 per cent of the equity of Nchanga, consisting of 60 412 100 "B" ordinary shares of K2 each, were vested in Zambia Copper Investments Limited ("ZCI"), a new company registered in Bermuda, together with those non-mining assets of Nchanga (1937) and Rhokana which were excluded from the merger.

The arrangements for the Government to acquire the abovementioned interest included agreements for the Anglo American Corporation Group to provide managerial, consultancy, metal marketing, engineering and recruitment services to Nchanga for a minimum period of 10 years.

Nchanga's first financial year is for the 15 months ended 31st March 1971, and the operating results for the period to 31st December 1970, are as follows:

	Twelve months ended Dec. 1970	Quarter ended Dec. 1970
Finished copper produced (metric tons) .....	395 511	99 289
Sales (metric tons) .....	382 719	103 781
Sales revenue (copper only) .....	K365 313 000	K76 519 000
Average proceeds (per metric ton) .....	K955	K737
Net profit after taxation .....	K79 600 000	K15 400 000
Dividends .....	K42 000 000	K8 000 000

Note: All financial figures are expressed in Zambian currency.

### Administered outside the Anglo American Corporation Group

#### The Messina (Transvaal) Development Company Limited

The company mines copper in the Transvaal and in Rhodesia and has interests in property, motor vehicle manufacturing and finance companies.

Year ended 30th September 1970.

Issued capital: 10 850 000 stock units of 50 cents each fully paid.

	1970	1969
Production of finished copper (metric tons) .....	32 448	32 000
Average price per ton (metric) .....	R1 089	R965
Consolidated profit before taxation .....	R20 081 000	R15 346 000
Taxation .....	R6 214 000	R4 395 000
Consolidated profit after taxation and deduction of minority shareholders' interest .....	R10 362 000	R8 459 000
Earnings per share .....	95c	77c
Dividends:		
Amount paid .....	R4 882 000	R3 894 000
Per stock unit .....	45c	37.5c

#### Roan Consolidated Mines Limited

In terms of a Share Purchase and Participation Agreement, the copper producing companies of Roan Selection Trust Limited (RST) are now constituted in Roan Consolidated Mines Limited (RCM). Zambia Industrial and Mining Corporation Limited (ZIMCO) acquired a 51 per cent interest in RCM in exchange for U.S.\$117 810 000 6 per cent bonds 1978 and subsequently passed the shares to Mindeco Limited, a wholly owned subsidiary. The interests of the Anglo American Corporation Group in the copper-mining companies of the RST Group have resulted in Zambia Copper Investments Limited (ZCI) acquiring 12.25 per cent of the equity of RCM and 27 603 200 units of Zimco 6 per cent bonds 1978.

	Six months ended Dec. 1970	Quarter ended Dec. 1970
Finished copper produced (metric tons) .....	137 659	60 057
Sales (metric tons) .....	148 580	71 222
Sales revenue* .....	K126 481 000	K55 285 000
Average proceeds (per metric ton) .....	K851	K776
Net profit after taxation .....	K23 609 000	K9 595 000
Dividends .....	K13 338 000	K6 669 000

\*All financial figures are expressed in Zambian currency.

### Other mining

The Corporation has direct and/or indirect interests in various other mining companies in South Africa, Swaziland, Rhodesia, Zambia and Canada. Brief particulars of some of these companies are recorded under two headings; administered within the Anglo American Corporation Group; and administered outside the Anglo American Corporation Group.

### Administered within the Anglo American Corporation Group

#### Iron Duke Mining Company Limited

The company mines pyrites in Rhodesia.

Year ended 30th June 1970.

Issued capital: R\$400 000 in 800 000 ordinary shares of 50 cents each.

	1970	1969
Profit before taxation ...	R\$112 893	R\$94 000
Taxation .....	R\$38 631	R\$35 000
Profit after taxation ...	R\$74 262	R\$59 000
Dividends:		
Amount paid .....	R\$60 000	Nil
Per share .....	7½c	Nil

#### Swaziland Iron Ore Development Company Limited

The company operates an iron ore mine at Ngwenya in Swaziland, and is fulfilling contracts for the supply of 14.7 million metric tons of high-grade lump ore and 5.2 million metric tons of high-grade fines to Japan over the period to 1975. In 1970 a further contract was secured to supply 7.5 million metric tons of medium grade ore to Japan for delivery between 1971 and 1978.

#### The Zambia Broken Hill Development Company Limited

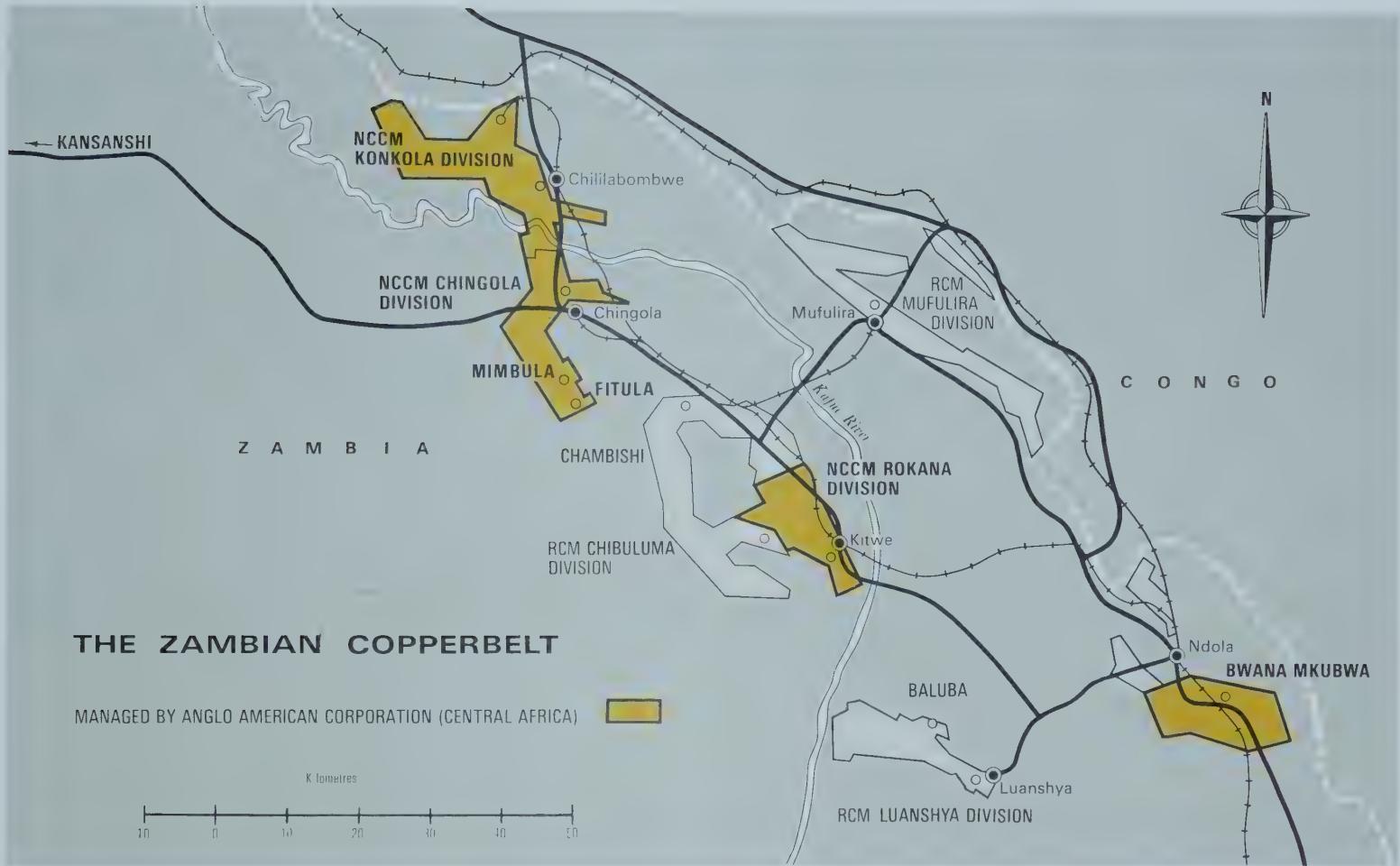
Producer of lead and zinc.

Year ended 31st December 1970.

Issued capital: K6 500 000 in 13 000 000 ordinary shares of 50 ngwee each.

	1970	1969
Lead produced (metric tons)	27 211	23 138
Zinc produced (metric tons)	53 456	50 165
	80 667	73 303
Sales (metric tons) .....	76 249	81 286
Average sales proceeds (per metric ton) .....	K218	K205
Average cost of sales (per metric ton) .....	K171*	K175*
Profit after taxation .....	K3 404 000	K1 105 000
Depreciation .....	—	K1 200 000
	Dr. 95 000	—
Royalty remitted .....	—	95 000
Provision for mineral tax .....	208 000	—
Provision for income tax .....	831 000	—
Net profit .....	K2 365 000	—

\*On 1st April 1970, the Government of the Republic of Zambia replaced the royalty system with a mineral tax based on profitability. For comparison purposes, the average cost of sales figures excludes royalty payments.



## Copper and other mining interests

After taking into account the tonnage of lead used in the mine plant, total new production amounted to a record 81 022 metric tons of lead and zinc compared with 73 836 in 1969.

In accordance with the royalty remission arrangements which were terminated with retrospective effect to 31st March 1970, a final amount of £1 000 was lent during the year to the company by Government, making a total loan of K1 990 000 available with accrued interest over the period 31st December 1971 to 31st March 1973.

In February 1971 it was announced that agreement had been reached in principle between Mindeco acting on behalf of the Government of Nchanga Consolidated Copper Mines (Nchanga), Zambia Copper Investments Ltd (Z.C.I.) and the company which will result in Government acquiring through Mindeco, a 51 per cent interest in the Broken Hill mine.

Proposals envisage a Scheme of Arrangement between Broken Hill and its shareholders, which will provide with effect from 1st January 1972 the company's mining undertaking and be vested in Nchanga and for Broken Hill shareholders to receive one new Z.C.I. share for every five Broken Hill shares held, whereupon the company will be dissolved.

The underlying agreement was signed by the 26th March 1971 and the proposals will subject to approval by the shareholders of Broken Hill and Z.C.I. for the necessary increases in capital where applicable and to the approval by High Court of Zambia.

### ministered outside the Anglo American Corporation Group

#### Hudson Bay Mining and Smelting Limited

The company operates seven mines in Manitoba and one in Saskatchewan. Two of the seven mines in Manitoba started production in November 1970. In addition the company has four undeveloped mineral properties in the Flin Flon-Snow Lake area of northern Manitoba. Three mines are being developed: two in the Flin Flon-Snow Lake area and one in the Yukon.

During the latter part of the year, the company entered into an agreement with Sherritt Gordon Mines to test a Sherritt Gordon patented pressure-leaching process for more efficient recovery of zinc and elimination of sulphur dioxide discharge at Hudson Bay's metallurgical refinery. If carried to the pilot plant stage, the programme would cost Hudson Bay Mining two million dollars.

Other interests include: a copper interest in the Yukon, a copper interest in northern British Columbia and an iron deposit on Baffin Island. Through other companies, directly controlled, Hudson Bay Mining has oil and natural gas interests in Western Canada as well as an interest in two sodium sulphate operations in Saskatchewan.

The base-metal mines produce complex ores from which the company recovers copper, zinc, gold, silver, cadmium, selenium and lead concentrates. Late in 1968, Hudson Bay Mining acquired all the issued capital of Sylvite of Canada Limited, a potash

property which is now operated as a division of Hudson Bay Mining. The mine and refinery began production in September 1970. Terra Chemicals International Inc., in which Hudson Bay has a 15 per cent interest, with the option to increase this interest to 25 per cent, operates a 600-ton-a-day ammonia plant near Sioux City, Iowa. Sylvite of Canada will be the principal supplier of Terra's potash requirements.

Early in 1970 the company announced a 3-for-1 stock split. This increased the authorised capital to 12 million shares of no par value, compared with four million shares immediately prior to the stock split.

*Year ended 31st December 1970.*

Share capital and reserves:

	1970	1969
Gross revenue from sales of metals, metal products, oil and gas	\$86 029 681	\$94 748 214
Estimated taxes on income	\$6 153 000	\$8 252 000
Net earnings after taxation	\$19 563 052	\$29 698 514
Earnings per share:	\$2.16	\$3.29
Dividends:		
Amount paid	\$10 698 234	\$13 252 815
Per share	\$1.18	\$1.47*
Investments in other companies	\$10 057 664	\$10 264 925
Investments in marketable securities at cost	\$2 541 190	\$5 592 645
Production:		
Slab zinc (metric tons)	71 324	72 313
Metallic cadmium (kg)	153 470	151 481
Refined copper (metric tons)	38 263	38 376
Selenium (kg)	40 736	41 670
Gold (oz)	55 188	52 410
Gold (g.)	1 564 552	1 485 797
Silver (oz.)	865 141	818 209
Silver (g.)	24 526 315	23 195 816
Lead concentrates (metric tons)	772	924

\*Adjusted for 3-for-1 stock split.

Note: All references to currency are in Canadian dollars.

#### The Associated Manganese Mines of South Africa Limited

The company owns mineral leases over manganese and iron-ore bearing ground in the Cape Province and mining leases over portions of the properties Devon, Adams and Belgravia and the area known as 'Blackrock'.

*Year ended 31st December 1969.*

Issued capital: R1 629 000 in 3 193 385 ordinary shares of 50 cents each and 63 740 seven per cent cumulative preference shares of 50 cents each. Share capital and reserves: R19 512 000.

	1969	1968
Tonnages railed (metric tons):		
Manganese ore	830 000	892 000
Iron ore	781 000	930 000

Consolidated profit before taxation .....	R2 673 000	R2 862 000
Taxation and lease consideration .....	R688 000	R887 000
Consolidated profit after taxation and preference dividend .....	R1 983 000	R1 973 000
Dividends:		
Ordinary:		
Amount paid .....	R798 000	R1 197 000
Per share .....	25c	37½p

#### The South West Africa Company Limited

The company mines lead, zinc, vanadium, tin and wolfram ores in South West Africa.

*Year ended 30th June 1970.*

Issued capital: \*£425 445.60 in 2 127 228 ordinary shares of 20p each. Share capital and reserves: £1 740 319.

	1970	1969
Concentrates produced (metric tons):		
Lead/vanadate .....	4 274	5 198
Zinc/lead sulphide .....	16 004	18 416
Zinc silicate .....	30 598	25 420
Tin/wolfram .....	478	566
	<u>51 354</u>	<u>49 600</u>
Sales proceeds .....	£1 807 556	£1 642 594
Consolidated profit before taxation .....	£387 854	£373 651
Taxation .....	£164 500	£99 523
Consolidated profit after taxation .....	£222 854	£274 128
Dividends:		
Amount paid .....	£212 722	£106 361
Per share** .....	10p	5p

\*All sums are expressed in British currency.

\*\*Less U.K. tax of 41p in the £.

#### Tsumeb Corporation Limited

The company mines copper, lead and zinc in South West Africa, and in addition produces silver, cadmium and arsenic trioxide.

*Year ended 30th June 1970.*

Issued capital: R2 000 000 in 4 000 000 shares of 50 cents each.

	1970	1969
Production:		
Copper (metric tons) .....	26 677	27 623
Lead (metric tons) .....	65 372	60 449
Zinc (metric tons) .....	7 892	3 815
Cadmium (Kg) .....	314 723	231 301
Silver (g.) .....	38 231 178	39 608 099
Silver (troy ozs) .....	1 229 160	1 273 429
Sales proceeds .....	R53 578 729	R41 753 792
Profit before taxation ...	R30 566 352	R17 581 539
Taxation .....	R9 862 219	R6 660 099
Profit after taxation ....	R20 704 133	R10 921 440
Dividends:		
Amount paid .....	R18 500 000	R15 500 000
Per share .....	R4.625	R3.875

## Coal interests

### Administered by Anglo American Corporation

#### Amalgamated Collieries of South Africa Limited

Year ended 31st December 1970.

Issued capital: R6 220 000 in shares of R2 each.

	1970	1969
Sales output—metric tons:		
Cornelia Colliery .....	2 934 909	3 038 557
Springfield Collieries Limited* .....	<u>2 778 878</u>	<u>1 691 213</u>
	<u>5 713 787</u>	<u>4 729 770</u>
Consolidated profit before taxation .....	R2 225 000	R1 848 000
Taxation .....	R463 000	R385 000
Consolidated profit after taxation .....	R1 762 000	R1 463 000
Dividends:		
Amount paid .....	R1 150 000	R1 089 000
Per share .....	37c	35c
Trade and other investments at cost .....	R1 778 000	R1 789 000
Income derived from investments .....	R248 000	R229 000

\*Subsidiary company.

#### Blesbok Colliery Limited

Year ended 31st December 1970.

	1970	1969
Sales output—metric tons	592 041	544 499
Profit before taxation ....	R332 919	R317 270
Taxation .....	R115 872	R55 759
Profit after taxation ....	R217 047	R261 511
Dividends:		
Amount paid .....	R184 800	R184 800
Per share .....	6c	6c

#### The Coronation Collieries Limited

Year ended 31st December 1970.

	1970	1969
Sales output—metric tons*	1 467 463	1 506 096
Coke sales—metric tons (subsidiary company)** ..	557 941	562 686
Consolidated profit before taxation .....	R2 337 000	R2 104 000
Taxation .....	R505 000	R274 000
Consolidated profit after taxation and deduction of minority shareholders' interest .....	R1 375 000	R1 396 000
Dividends:		
Amount paid .....	R864 000	R864 000
Per share .....	12c	12c
Trade and other investments, at cost .....	R887 000	R883 000
Income derived from investments .....	R605 000	R604 000

\*Attributable to Bank colliery.

\*\*Vryheid Coronation Limited.

The Corporation has, through African and European Investment Company Limited, Anglo American Corporation Rhodesia Limited and The Vereeniging Estates Limited, indirect interests in a number of colliery companies. Brief particulars of the operations and activities of some of the collieries in which these companies have a substantial shareholding are recorded under two headings: administered by Anglo American Corporation; and administered by Stafford Mayer Company South Africa Limited.

#### Ingagane Colliery (Proprietary) Limited

Year ended 30th June 1970.

	1970	1969
Sales output—metric tons	345 538	328 496
Profit for the year .....	R49 000	R34 000

#### Natal Coal Exploration Company Limited

Year ended 30th June 1970.

Issued capital: R2 500 000 in shares of 50 cents each.

With the closure of the mine in October 1968, the company's business is now confined to receipt of royalty income from:

- (1) the lease of its bituminous coal trade allocation to three other producing collieries in Natal;
- (2) the lease of its coal reserves in the Mooi Krantz area to The Natal Cambrian Collieries Limited.

Net profit for the year amounted to R68 000. A dividend of one cent a share absorbed R50 000, leaving an unappropriated profit of R18 000 to be carried forward.

With the exception of the mine property and village, covering an area of 762 hectares, all the remaining realisable assets at the mine have now been sold.

#### New Largo Colliery Limited

Year ended 30th June 1970.

Issued capital: R1 600 000 in shares of 50 cents each.

	1970	1969
Sales output—metric tons	1 205 250	1 067 813
Profit before taxation ....	R467 000	R407 000
Taxation .....	R163 000	R140 000
Profit after taxation ....	R304 000	R267 000
Dividends:		
Amount paid .....	R288 000	R224 000
Per share .....	9c	7c

#### South African Coal Estates (Witbank) Limited

Year ended 30th June 1970.

Issued capital: R2 000 000 in shares of R2 each.

	1970	1969
Sales output—metric tons:		
Landau No. 3 Colliery ..	1 343 541	1 360 614
Navigation Colliery ...	483 182	573 975
	<u>1 826 673</u>	<u>1 934 589</u>
Profit before taxation ....	R613 000	R761 000
Taxation .....	R169 000	R17 000
Profit after taxation ....	R444 000	R744 000
Dividends:		
Amount paid .....	R420 000	R420 000
Per share .....	42c	42c
Quoted investments:		
Book cost .....	R42 000	R42 000
Market value .....	R94 000	R101 000
Unquoted investments:		
Trade and other .....	R78 000	R86 000

The company will participate to the extent of approximately 5.5 million metric tons in a contract concluded in March 1971 between certain Japanese steel companies and the Transvaal Coal Owners Association (1923) (Proprietary) Limited for the supply of 27.8 million metric tons of metallurgical coal over a 14-year period starting in 1972.

#### Springbok Colliery Limited

Year ended 31st December 1970.

Issued capital: R2 400 000 in stock units of 50 cents each.

	1970	1969
Coal sales—metric tons:		
Steam coal .....	1 181 423	1 171 596
Blend coking coal .....	1 128 922	1 019 453
	<u>2 310 345</u>	<u>2 191 049</u>
Profit before taxation ....	R1 603 000	R1 544 000
Taxation .....	R518 000	R504 000
Profit after taxation ....	R1 085 000	R1 040 000
Dividends:		
Amount paid .....	R864 000	R864 000
Per stock unit .....	18c	18c

The company will participate to the extent of approximately 3.9 million metric tons in a contract concluded in March 1971 between certain Japanese steel companies and the Transvaal Coal Owners Association (1923) (Proprietary) Limited for the supply of 27.8 million metric tons of metallurgical coal over a 14-year period starting in 1972.

#### Springfield Collieries Limited

Year ended 31st December 1970.

Issued capital: R2 300 000 in shares of R2 each.

	1970	1969
Sales output—metric tons .....	2 778 878	1 691 213
Profit before taxation ....	R811 723	R502 349
Taxation .....	R29 220	Nil
Profit after taxation ....	R782 503	R502 349
Dividends:		
Amount paid .....	Nil	Nil
Per share .....	Nil	Nil

The 1969 and 1970 profits were retained in entirety to finance capital expenditure.

#### Vierfontein Colliery Limited

Year ended 30th June 1970.

Issued capital: R2 000 000 in shares of 50 cents each.

	1970	1969
Coal sales—metric tons .....	1 469 000	1 352 000
Profit before taxation ....	R514 000	R479 000
Taxation .....	R168 000	R128 000
Profit after taxation ....	R346 000	R351 000
Dividends:		
Amount paid .....	R320 000	R280 000
Per share .....	8c	7c

#### Vryheid Coronation Limited

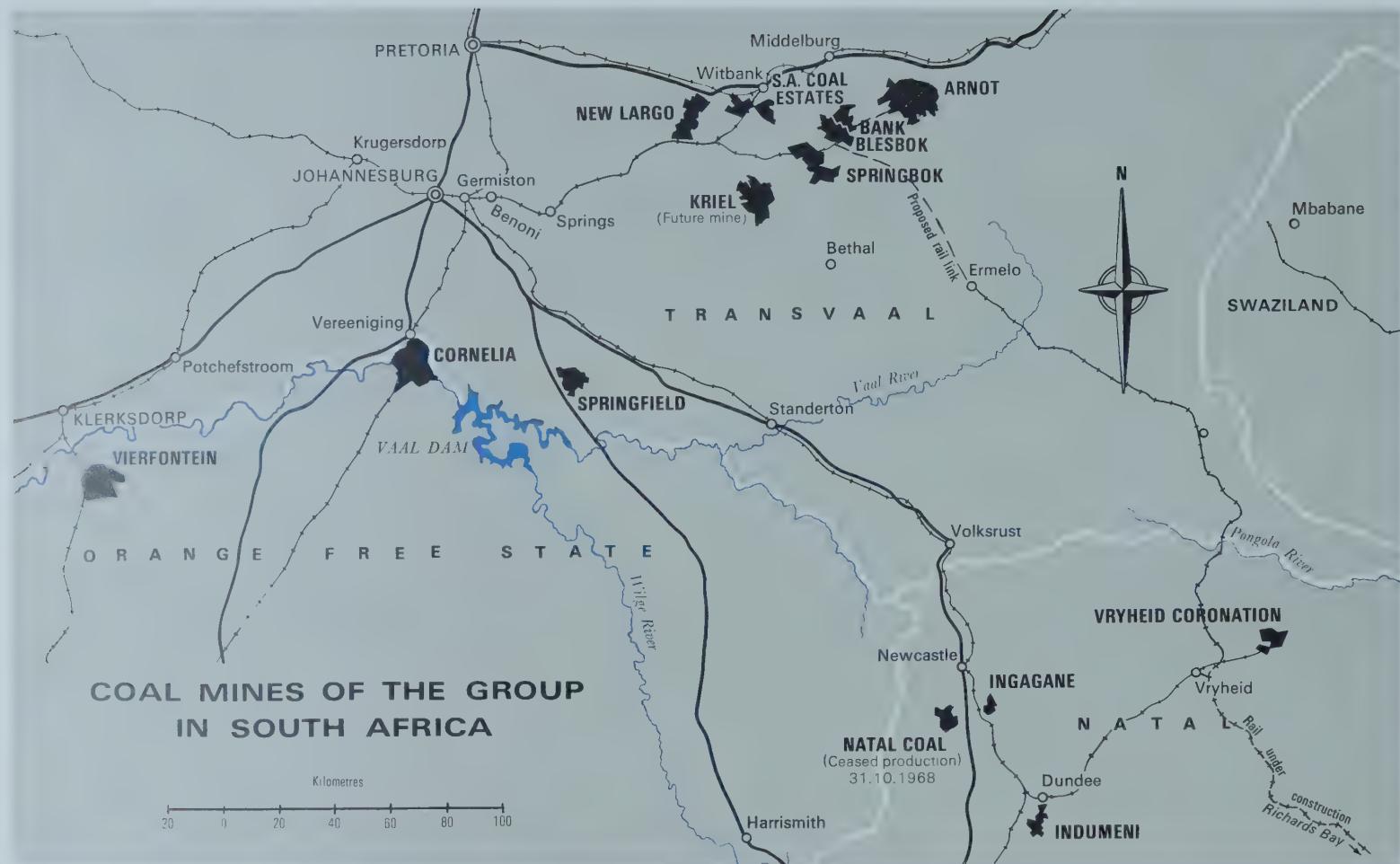
The company is a subsidiary of The Coronation Collieries Limited.

Year ended 31st December 1970.

Issued capital: R4 816 000 in shares of 50 cents each.

	1970	1969
Coke sales—metric tons .....	557 941	562 686
Profit before taxation ....	R1 829 000	R1 531 000
Taxation .....	R505 000	R272 000
Profit after taxation ....	R1 324 000	R1 258 000
Dividends:		
Amount paid .....	R771 000	R771 000
Per share .....	8c	8c

## Coal interests



### Wankie Colliery Company Limited

Year ended 31st August 1970.

Issued capital: R\$12 666 744 in shares of R\$1 each.

1970 1969

Sales output—metric tons:

Coal .....	3 170 817	3 082 546
Coke .....	225 054	222 379

Profit before taxation .... R\$4 106 000 R\$3 718 000

Taxation ..... R\$1 210 000 R\$1 191 000

Profit after taxation .... R\$2 896 000 R\$2 527 000

Dividends:

Amount paid .....	R\$1 900 000	R\$1 900 000
Per share (net) .....	15c	15c

Quoted investments:

Book cost .....	R\$3 128 000	R\$3 128 000
Market value .....	R\$8 041 000	R\$2 579 000

Unquoted investments:

Loans .....	R\$7 697 000	R\$7 712 000
Other .....	R\$1 290 000	R\$1 310 000

	1970	1969	1970	1969
Coal sales—metric tons:*			Coal sales—metric tons	
Coking coal .....	303 615	269 852	465 894	363 296
Bituminous dross, recovered from previous years' stock**	—	3 662	Consolidated profit before taxation .....	R865 500
Consolidated profit before taxation .....	R273 000	R340 000	R597 000	R201 500
Taxation .....	R4 000	—	Taxation .....	R272 000
Consolidated profit after taxation .....	R269 000	R340 000	Consolidated profit after taxation .....	R593 500
Dividends:			Dividends:	
Amount paid .....	R182 000	R182 000	Amount paid .....	R333 876
Per share .....	13c	13c	Per stock unit .....	13c
*Sales by the subsidiary company, Indumeni Coal Mines Limited.				
**Production of bituminous coal ceased on 30th April 1968.				

### Administered by Stafford Mayer Company South Africa Limited

#### Natal Anthracite Colliery Limited

Year ended 30th June 1970.

Issued capital: R1 284 140 in stock units of 50 cents each.

### The Newcastle-Platberg Colliery Limited

Year ended 30th June 1970.

Issued capital: R950 000 in shares of 50 cents each.

	1970	1969
Coal sales—metric tons ..	427 340	382 730
Profit before taxation ....	R349 000	R252 000
Taxation .....	R111 000	R79 000
Profit after taxation .....	R238 000	R173 000
Dividends:		
Amount paid .....	R95 000	R76 000
Per share .....	5c	4c

### Zuquinni Natal Collieries Limited

Year ended 30th June 1970.

Issued capital: R700 000 in shares of 50 cents each.

# Industrial and commercial interests

## Members of the Anglo American Corporation Group

### Boart and Hard Metal Products S.A. Limited

This company is a wholly-owned subsidiary of Anglo American Industrial Corporation Limited.

The Boart and Hard Metal Products group comprises over 100 subsidiary and associated companies throughout the world engaged in the manufacture of all types of diamond and tungsten carbide tipped drilling tools, and certain of the companies undertake, on a contractual basis, surface and underground drilling operations and civil and mining services.

During the year a new company, Mining Developments A.G. was formed in Switzerland to exploit new mining techniques. Boart International Luxembourg S.A.H. (B.I. Lux) holds a 95 per cent interest in this company. B.I. Lux also holds a 100 per cent interest in Boart (U.K.) Limited, a company formed recently in Great Britain, to market tungsten carbide products and to provide technical services to associated companies of the Boart group in Europe.

*Year ended 31st December 1970.*

Issued share capital: R2 320 000 in 1 160 000 ordinary shares of R2 each.

	1970	1969
Book cost of quoted investments .....	R1 959 000	R1 771 000
Market value of quoted investments .....	R1 375 000	R2 274 000
Shares in associated companies .....	R11 918 000	R12 769 000
Fixed assets .....	R15 950 000	R12 919 000
Excess of cost of shares over book value of net assets of subsidiary company .....	R1 169 000	R1 054 000
Consolidated profit before taxation .....	R8 989 000	R9 789 000
Taxation—provision ....	R3 960 000	R3 407 000
Consolidated profit after taxation and deduction of minority shareholders' interests .....	R2 674 000	R3 610 000
Dividends:		
Amount paid .....	R2 030 000	R1 160 000
Per share .....	175c	100c

### Clay Products Limited

The company operates a factory at Wankie, Rhodesia, specialising in refractory products and also a factory at Cement, near Bulawayo, which produces a wide range of refractories, saltglazed earthenware pipes and fittings.

*Year ended 31st March 1970.*

Issued capital: R\$79 800 in 39 900 shares of R\$2 each.

	1970	1969
Profit before taxation ...	R\$191 566	R\$135 198
Taxation .....	R\$66 225	R\$48 356
Dividends:		
Amount paid .....	R\$79 800	R\$79 800
Per share .....	R\$1	R\$1

The Corporation has interests, some direct and some through associated companies, including Anglo American Industrial Corporation Limited, in a number of industrial and commercial companies. Brief particulars of some of these companies are recorded under two headings: members of the Anglo American Corporation Group; and other industrial and commercial interests.

### Forest Industries and Veneers Limited

The company owns the entire issued capital of Peak Timbers Limited, and has a large shareholding in Bruynzeel Plywoods Limited.

*Year ended 30th June 1970.*

Issued capital: R6 289 031 in 6 274 509 ordinary shares of R1 each and 14 522 seven per cent cumulative participating preference shares of R1 each.

Share capital and reserves: R6 329 000.

Loans:

	1970	1969
6½ per cent registered unsecured debenture stock -1978/83 .....	R2 260 000	
Registered secured redeemable convertible debenture stock-1985 ....	R1 679 000	
Unsecured loan (to subsidiary company) .....	R860 000	
	<hr/>	<hr/>
	R4 799 000	
	1970	1969
Book cost of quoted investment .....	R1 181 000	R1 181 000
Market value of quoted investment .....	R1 477 000	R1 811 000
Consolidated profit (loss) .....	R38 000	(R154 000)

### Highveld Steel and Vanadium Corporation Limited

Highveld Steel and Vanadium Corporation owns and operates an iron, steel and vanadium complex at Witbank in the Transvaal. Highveld, together with its wholly-owned subsidiaries, Transvaal Vanadium Company (Proprietary) Limited and Ironstone Minerals (Proprietary) Limited, holds mineral rights in respect of proved iron ore reserves of 120 million tons and, in addition, certain mineral leases in the course of registration will vest in the group rights to a further estimated 60 million tons of ore.

Highveld operates both the Mapochs and the Kennedy's Vale iron ore mines, which supplied Highveld's full ore requirements during the year. To ensure continuity of high grade vanadium ore supplies to the Vantra plant, a new mine is being established in the Rustenburg district of the Transvaal.

Towards the end of 1970 a decision was taken to install a fifth pre-reduction kiln in the iron plant which will have the effect of increasing the plant's capacity for the production of vanadium iron. This expansion will result in an increase in the production of steel products and vanadium slag.

In 1970 a third kiln was installed in the Vantra Division, and a fourth kiln is now being commissioned. As a result, Vantra's rated capacity for vanadium pentoxide production will be significantly increased.

Production from the steelworks for the six months ended 31st December 1970, and for the immediately preceding six months, was as follows:

	Six months ended 31.12.70	Six months ended 30.6.70
Production—metric tons:		
Iron .....	185 496	175 236
Steel blocks .....	183 152	169 225
Finished steel products ..	112 680	89 698
Rolled billets .....	30 847	31 427
Vanadium slag .....	15 377	13 571

Highveld recorded its first monthly profit in June 1970. For the six months period thereafter a net

profit (unaudited) of R1.881 million was achieved after providing for interest and depreciation, compared with a loss of R1.835 million for the previous six months. Export sales of vanadium and steel products during 1970 contributed more than R20 million to South Africa's foreign exchange earnings.

The generally improved performance and financial results during the latter half of 1970 indicate a most satisfactory trend. However, it must be noted that not all divisions of the plant have yet reached rated capacity production.

*Year ended 30th June 1970.*

	1970	1969
Issued capital .....	R56 300 000	R56 290 000
Share premium .....	R978 000	R1 002 000
Accumulated loss ....	R16 074 000	R9 904 000
Loans—long- and medium-term .....	R43 928 000	R43 007 000
Fixed assets .....	R100 769 000	R103 698 000
Trade investments, at cost .....	R5 369 000	R5 114 000
Net current liabilities ..	R21 006 000	R18 417 000

Long-term loans of DM 100 000 000 (approximately R18 825 000) and U.S. \$20 000 000 (approximately R14 343 000) to both of which attach subscription rights to subscribe for ordinary shares, were raised in Europe in 1966 and 1967.

A loan of DM 60 000 000 (approximately R10 771 000) raised in Italy was repaid in June 1970 and a new loan of 65 000 000 Swiss francs (approximately R10 859 000), which will mature on 12th July 1971, has been raised.

### Hippo Valley Estates Limited

The company's main interest is in the production of sugar and related products in Rhodesia. It also carries on citrus-farming operations.

*Year ended 31st March 1970.*

Issued capital: R\$5 500 000 in 11 000 000 shares of 50 cents each.

Share capital and reserves: R\$9 325 000.

### Industrias De Caju Mocita Limitada

The company holds a licence to process 15 000 metric tons of cashew nuts a year at Joao Belo in Mozambique. The company, now in its fifth year of operation, is the largest single exporter of unroasted cashew kernels in Mozambique and has developed markets in fifteen countries.

In conjunction with Portuguese partners, the company has recently formed Industrias de Caju Antenes S.A.R.L. which has established a processing factory at Antonio Enes, north of Beira.

### Mondi Paper Company Limited

The company was incorporated on 11th December 1967 and the issued share capital is held as to 65.04 per cent by the Anglo American Corporation Group, 21.68 per cent by Johannesburg Consolidated Investment Company Limited and 13.28 per cent by The Bowater Paper Corporation Limited.

The company will operate a paper mill at Merebank, Durban, comprising a groundwood mill, two highspeed paper machines of 222 inch trim and a paper finishing department. The total capital cost thereof will be R38 million.

Production capacity will be approximately 136 000 metric tons a year, consisting principally of newsprint and woodfree fine papers. Some gravure and mechanicals and telephone directory paper will also be produced.

## Industrial and commercial interests

*Part of the new terminal buildings at Johannesburg's Jan Smuts airport, where the LTA construction group has R18 million worth of work on hand*

### Scaw Metals Limited

*Year ended 31st December 1970.*

The company, which is a wholly-owned subsidiary of Anglo American Industrial Corporation Limited, operates in three major fields, namely:  
 ferrous and non-ferrous castings;  
 rolled steel products in the merchant bar range;  
 grinding media for mining and cement industries.  
 The cast ferrous products include railroad components such as freight-car wheels and bogie

taxed profit of the Scaw Metals group of companies was R5 444 000 for the eighteen months to December 1970 compared with R2 502 000 for the year ended June 1969.

The company has investments in Highveld Steel Alum Corporation Limited, Ferrous Scrap (Proprietary) Limited and Middelburg Alloys (Proprietary) Limited.

### Le Farms Limited

This was formed in 1969 for the main purpose of consolidating and developing under one management the farming interests of various units in the Anglo American Corporation

operations embrace a wide range of over large areas in the Transvaal, Orange and the Northern Cape.

Richards Limited, formerly Dewhurst Limited, a wholly-owned subsidiary of Le Farms Limited, produces deciduous fruit for export and home markets on its farm in the Cape.

Ranches (Private) Limited, a wholly-owned subsidiary of Soetvelde Farms Limited, has a cattle ranching operation near Gwelo,

### Le and Allied Industries

#### S.J. Limited

The company is a wholly-owned subsidiary within the Anglo American Industrial Corporation group. The company and its subsidiaries produce crushed stone for the Railways, the building and construction industry and for road construction at plants in Bloemfontein, Carletonville, Phalaborwa, Midshaft, Mdina and Bethal. In addition, the company manufactures concrete underground supports for the Orange Free State gold mines and has a subsidiary in Welkom making concrete products.

### Transalloys (Proprietary) Limited

The company produces ferro-alloys, at a plant in Witbank, Transvaal. The Air Reduction Company Inc. of New York, with whom the company has a marketing agreement and who provide technical advice, holds a 35 per cent interest in the company. The Anglo American Corporation group holds a 55 per cent interest and Avesta Jernverks Aktiebolag of Avesta, Sweden, a 10 per cent interest.

### Vereeniging Refractories Limited

The company manufactures refractory products, salt-glazed earthenware pipes and fittings, building bricks and Statton pre-stressed beams and lintels. A subsidiary, Vereeniging Tiles Limited, produces concrete roofing tiles in Vereeniging, Cape Town, Port Elizabeth and Benoni.

The company in association with Cullinan Refractories Limited owns Vitro Clay Pipes Limited which produces earthenware sewer pipes.

In the course of the year the company acquired a 49 per cent interest in Coronation Concrete Roof Tiles of Durban.

*Year ended 31st December 1970.*

Issued capital: R3 500 000 in 5 000 000 ordinary shares of 50 cents each and 500 000 5½ per cent cumulative non-redeemable preference shares of R2 each.

Share capital and reserves (consolidated): R12 800 000.

	1970	1969
Fixed assets less depreciation	R11 394 000	R9 703 000
Group profit before taxation	R3 876 000	R3 582 000
Taxation	R1 391 000	R1 395 000
Group profit after taxation and deduction of minority shareholders' interest and preference dividend	R2 293 000	R2 015 000
Earnings per ordinary share	46c	40c
Dividends:		
Ordinary:		
Amount paid	R1 100 000	R1 050 000
Per share	22c	21c

Share capital and reserves (consolidated): R135 575 000.

Loan capital: R19 162 000.

	1970	1969
Book value of fixed assets	R123 584 000	R129 260 000
Trade investments at cost	R20 180 000	R7 254 000
Net asset value per share	R1.61	R1.52
Consolidated profit before taxation	R30 253 000	R24 311 000
Taxation	R11 700 000	R10 100 000
Consolidated profit after taxation, deduction of outside shareholders' interest and preference dividend	R18 018 000	R13 695 000
Earnings per share	22.5c	17.1c
Dividends:		
Ordinary:		
Amount paid	R11 235 000	R10 432 000
Per share	14c	13c

Share capital and reserves (consolidated): R135 575 000.

Loan capital: R19 162 000.

	1970	1969
Book value of fixed assets	R123 584 000	R129 260 000
Trade investments at cost	R20 180 000	R7 254 000
Net asset value per share	R1.61	R1.52
Consolidated profit before taxation	R30 253 000	R24 311 000
Taxation	R11 700 000	R10 100 000
Consolidated profit after taxation, deduction of outside shareholders' interest and preference dividend	R18 018 000	R13 695 000
Earnings per share	22.5c	17.1c
Dividends:		
Ordinary:		
Amount paid	R11 235 000	R10 432 000
Per share	14c	13c

Share capital and reserves (consolidated): R135 575 000.

Loan capital: R19 162 000.

	1970	1969
Book value of fixed assets	R123 584 000	R129 260 000
Trade investments at cost	R20 180 000	R7 254 000
Net asset value per share	R1.61	R1.52
Consolidated profit before taxation	R30 253 000	R24 311 000
Taxation	R11 700 000	R10 100 000
Consolidated profit after taxation, deduction of outside shareholders' interest and preference dividend	R18 018 000	R13 695 000
Earnings per share	22.5c	17.1c
Dividends:		
Ordinary:		
Amount paid	R11 235 000	R10 432 000
Per share	14c	13c

Share capital and reserves (consolidated): R135 575 000.

Loan capital: R19 162 000.

	1970	1969
Book value of fixed assets	R123 584 000	R129 260 000
Trade investments at cost	R20 180 000	R7 254 000
Net asset value per share	R1.61	R1.52
Consolidated profit before taxation	R30 253 000	R24 311 000
Taxation	R11 700 000	R10 100 000
Consolidated profit after taxation, deduction of outside shareholders' interest and preference dividend	R18 018 000	R13 695 000
Earnings per share	22.5c	17.1c
Dividends:		
Ordinary:		
Amount paid	R11 235 000	R10 432 000
Per share	14c	13c

Share capital and reserves (consolidated): R135 575 000.

Loan capital: R19 162 000.

	1970	1969
Book value of fixed assets	R123 584 000	R129 260 000
Trade investments at cost	R20 180 000	R7 254 000
Net asset value per share	R1.61	R1.52
Consolidated profit before taxation	R30 253 000	R24 311 000
Taxation	R11 700 000	R10 100 000
Consolidated profit after taxation, deduction of outside shareholders' interest and preference dividend	R18 018 000	R13 695 000
Earnings per share	22.5c	17.1c
Dividends:		
Ordinary:		
Amount paid	R11 235 000	R10 432 000
Per share	14c	13c

Share capital and reserves (consolidated): R135 575 000.

Loan capital: R19 162 000.

	1970	1969
Book value of fixed assets	R123 584 000	R129 260 000
Trade investments at cost	R20 180 000	R7 254 000
Net asset value per share	R1.61	R1.52
Consolidated profit before taxation	R30 253 000	R24 311 000
Taxation	R11 700 000	R10 100 000
Consolidated profit after taxation, deduction of outside shareholders' interest and preference dividend	R18 018 000	R13 695 000
Earnings per share	22.5c	17.1c
Dividends:		
Ordinary:		
Amount paid	R11 235 000	R10 432 000
Per share	14c	13c

Share capital and reserves (consolidated): R135 575 000.

Loan capital: R19 162 000.

	1970	1969
Book value of fixed assets	R123 584 000	R129 260 000
Trade investments at cost	R20 180 000	R7 254 000
Net asset value per share	R1.61	R1.52
Consolidated profit before taxation	R30 253 000	R24 311 000
Taxation	R11 700 000	R10 100 000
Consolidated profit after taxation, deduction of outside shareholders' interest and preference dividend	R18 018 000	R13 695 000
Earnings per share	22.5c	17.1c
Dividends:		
Ordinary:		
Amount paid	R11 235 000	R10 432 000
Per share	14c	13c

Share capital and reserves (consolidated): R135 575 000.

Loan capital: R19 162 000.

	1970	1969
Book value of fixed assets	R123 584 000	R129 260 000
Trade investments at cost	R20 180 000	R7 254 000
Net asset value per share	R1.61	R1.52
Consolidated profit before taxation	R30 253 000	R24 311 000
Taxation	R11 700 000	R10 100 000
Consolidated profit after taxation, deduction of outside shareholders' interest and preference dividend	R18 018 000	R13 695 000
Earnings per share	22.5c	17.1c
Dividends:		
Ordinary:		
Amount paid	R11 235 000	R10 432 000
Per share	14c	13c

Share capital and reserves (consolidated): R135 575 000.

Loan capital: R19 162 000.

	1970	1969
Book value of fixed assets	R123 584 000	R129 260 000
Trade investments at cost	R20 180 000	R7 254 000
Net asset value per share	R1.61	R1.52
Consolidated profit before taxation	R30 253 000	R24 311 000
Taxation	R11 700 000	R10 100 000
Consolidated profit after taxation, deduction of outside shareholders' interest and preference dividend	R18 018 000	R13 695 000
Earnings per share	22.5c	17.1c
Dividends:		
Ordinary:		
Amount paid	R11 235 000	R10 432 000
Per share	14c	13c

Share capital and reserves (consolidated): R135 575 000.

Loan capital: R19 162 000.

	1970	1969
Book value of fixed assets	R123 584 000	R129 260 000
Trade investments at cost	R20 180 000	R7 254 000
Net asset value per share	R1.61	R1.52
Consolidated profit before taxation	R30 253 000	R24 311 000
Taxation	R11 700 000	R10 100 000
Consolidated profit after taxation, deduction of outside shareholders' interest and preference dividend	R18 018 000	R13 695 000
Earnings per share	22.5c	17.1c
Dividends:		
Ordinary:		
Amount paid	R11 235 000	R10 432 000
Per share	14c	13c

Share capital and reserves (consolidated): R135 575 000.

Loan capital: R19 162 000.

	1970	1969
Book value of fixed assets	R123 584 000	R129 260 000
Trade investments at cost	R20 180 000	R7 254 000
Net asset value per share	R1.61	R1.52
Consolidated profit before taxation	R30 253 000	R24 311 000
Taxation	R11 700 000	R10 100 000
Consolidated profit after taxation, deduction of outside shareholders' interest and preference dividend	R18 018 000	R13 695 000
Earnings per share	22.5c	17.1c
Dividends:		
Ordinary:		
Amount paid	R11 235 000	R10 432 000
Per share	14c	13c

Share capital and reserves (consolidated): R135 575 000.

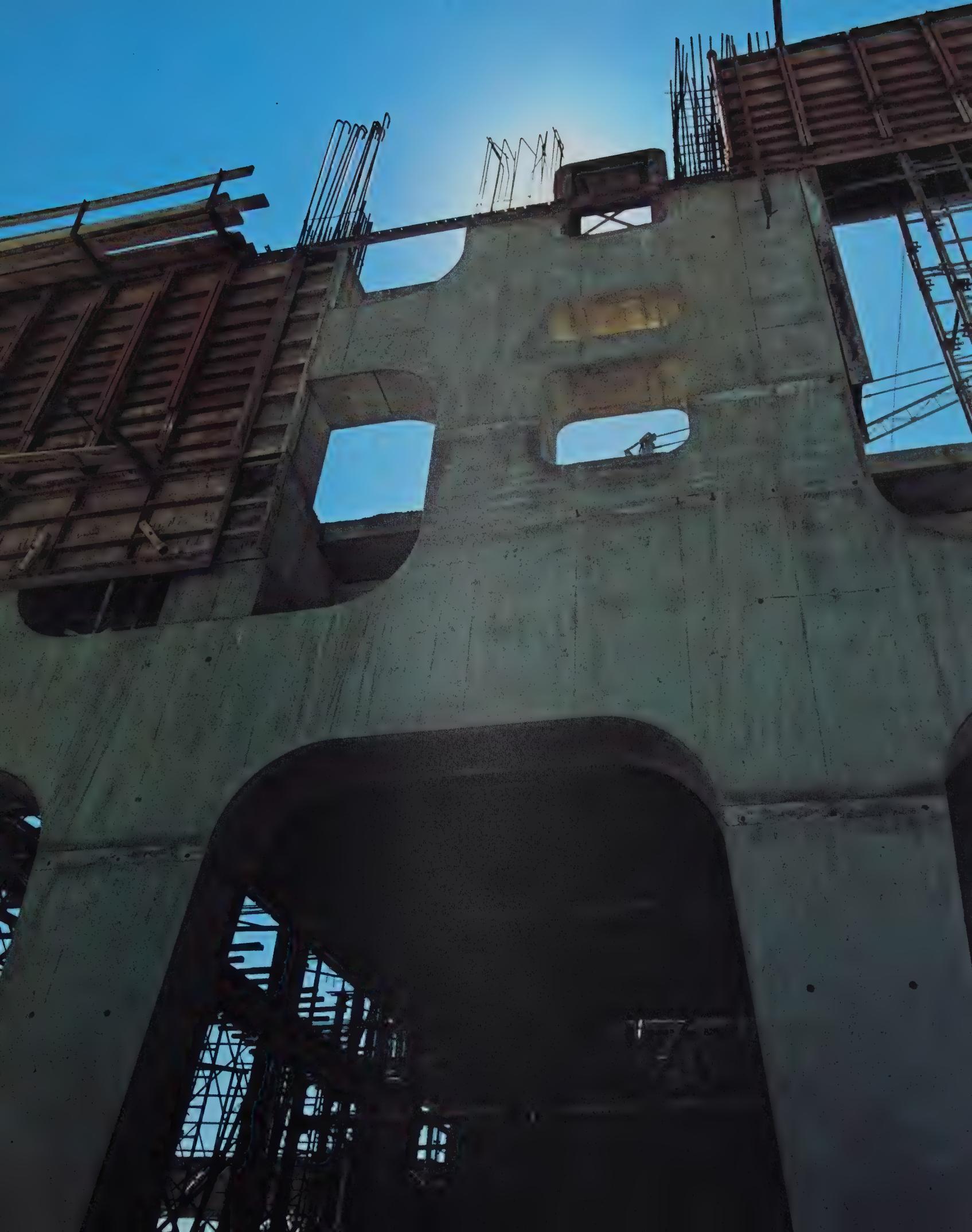
Loan capital: R19 162 000.

	1970	1969
Book value of fixed assets	R123 584 000	R129 260 000
Trade investments at cost	R20 180 000	R7 254 000
Net asset value per share	R1.61	R1.52
Consolidated profit before taxation	R30 253 000	R24 311 000
Taxation	R11 700 000	R10 100 000
Consolidated profit after taxation, deduction of outside shareholders' interest and preference dividend	R18 018 000	R13 695 000
Earnings per share	22.5c	17.1c
Dividends:		
Ordinary:		
Amount paid	R11 235 000	R10 432 000
Per share	14c	13c

Share capital and reserves (consolidated): R135 575 000.

Loan capital: R19 162 000.

	1970	1969
Book value of fixed assets	R123 584 000	R129 260 000
Trade investments at cost	R20 180 000	R7 254 000



*Year ended 30th June 1970.*

	1970	1969
Issued capital: R5 436 025 in 200 000 5½ per cent cumulative preference shares of R2 each and 10 072 050 ordinary shares of 50 cents each.		
Share capital and reserves (consolidated): R9 711 239.		
Profit before taxation ....	R1 612 762	R1 469 857
Taxation ..... R386 624		R282 033
Profit after taxation and preference dividend .....	R1 204 138	R1 165 824
Earnings per ordinary share .....	11.96c	11.57c
Dividends		
Ordinary		
Amount paid .....	453 242	453 243
Per share .....	4½c	4½c

#### J. L. Clark and Company Limited

The company's interests are in engineering, cotton and textiles. Through a number of subsidiary and associated companies it manufactures and supplies a wide range of air-conditioning and heating equipment. The substantial textile interests of the company are in J. L. Clark Cotton Company (Proprietary) Limited, the largest cotton ginning organisation in South Africa and in J. L. Clark Textiles (Proprietary) Limited, which distributes textiles to the trade.

#### Hulett Corporation Limited

(formerly Hulett's Sugar Corporation Limited)

The corporation acts as a holding company for a group of 40 partly and wholly-owned subsidiaries. It owns sugar mills and cane estates and has significant paper milling, forestry, transport, property and finance interests.

As at 30th April 1970 a substantial proportion of the group's assets were revalued to give an increase of R38 million to the total assets values of the group.

*Year ended 30th April 1970.*

	1970	1969
Issued capital: R25 900 000 in 20 400 000 ordinary shares of R1 each and 5 500 000 6½ per cent cumulative redeemable preference shares of R1 each.		
Share capital and reserves (consolidated): R87 206 911.		
Loan capital: R17 351 906.		

	1970	1969
Book value of fixed assets .....	R105 151 567	R67 326 588
Book value of quoted investments .....	R43 257	R93 132
Market value of quoted investments .....	R262 068	R207 216
Net asset value of ordinary shares (quoted investments at market value) .....	R4.01	R2.07
Consolidated profit before taxation .....	R10 257 423	R1 675 666
Taxation .....	R3 801 777	R1 972 269
Consolidated profit after taxation, deduction of minority shareholders' interests and preference dividend .....	R5 394 762	R1 873 098
Earnings per ordinary share .....	26.4c	9.2c
Dividends:		
Ordinary:		
Amount paid .....	R3 315 000	R2 125 000
Per share .....	16.25c	10.4c

#### Industex Limited

The company operates cotton and spun synthetic fibre (cotton system) spinning plants in Port Elizabeth and manufactures rayon and nylon tyre fabric and other types of fabrics used in the rubber industry, as well as other industrial fabrics such as filter fabric. Union Cotton Mills (Proprietary) Limited of Uitenhage, which operates a yarn dyeing and weaving plant, is a wholly-owned subsidiary and manufactures all types of towels, towelling products and bedspreads.

a 15 per cent shareholding in Motor Assemblies Limited at a total cost of R1.6 million.

In July 1970, Lawson Investments (Pty) Limited exercised an option to acquire a 10 per cent interest in Illings (Pty) Limited for R300 000 and in turn, McCarthy-Main acquired 120 000 ordinary shares in Lawson Motors Group Limited at a cost of R300 000. As a result of an agreement between the companies, Mazda cars and commercial vehicles (distributed by Illings) and Volvo cars (distributed by Lawsons) would, in so far as possible, be marketed by common dealers throughout the Republic.

#### LTA Limited

The LTA group is engaged in a wide range of construction activities including city building, industrialised building, civil engineering and steel fabrication, through a number of subsidiaries.

Consideration is being given to the formation of an international company to undertake work with foreign partners, both within and outside the Republic. As an interim step, an International Division of LTA Limited has been established which is presently responsible for the group's interests in the Cabora Bassa project, the Orange/Fish tunnel project and the P.K. le Roux Dam project.

*Year ended 30th June 1970.*

Issued capital: R5 190 600 in ordinary shares of R1 each.

	1970	1969
Share capital and reserves (consolidated): R9 949 000.		
Consolidated profit before taxation .....	R2 572 000	R3 328 000
Taxation .....	R1 203 000	R1 170 000
Consolidated profit after taxation and deduction of minority shareholders' interest .....	R1 307 000	R2 053 000
Net asset value per share .....	R1.92	R2.29
Earnings per share .....	25.2c	40.4c
Dividends:		
Amount paid .....	R1 038 000	R1 016 120
Per share .....	20c	20c

#### McCarthy-Main Holdings Limited

The company is owned jointly by McCarthy Rodway Limited and the Anglo American Corporation Group. The company holds 40.2 per cent of the ordinary share capital of Atkinson Oates Motors Limited, which holds the franchises in various centres for the distribution of the Leykor, Peugeot, Toyota, Rambler and Mercedes Benz range of vehicles. It also owns 80.8 per cent of the ordinary share capital and 98.93 per cent of the preference share capital of Illings (Pty) Limited, distributors of Magirus Deutz heavy duty commercial vehicles, Mazda light commercial vehicles and passenger cars, Komatsu earth-moving equipment, forklift trucks and other specialised vehicles.

McCarthy-Main also holds a 40 per cent interest in Metair Holdings (Pty) Limited, which was formed in December 1969, in conjunction with the Wesco group to acquire McCarthy-Main's controlling interest in Airco Engineering Limited. Metair Holdings owns approximately 55 per cent of the ordinary shares of that company, which is the sole South African distributor for Carrier International Limited of New York and manufacturer of airconditioning, refrigeration, industrial heating and ventilation equipment and truck bodies for Toyota and Mazda vehicles. At the same time, McCarthy-Main acquired

#### Middelburg Steel and Alloys (Proprietary) Limited

The company owns the entire issued share capitals of R.M.B. Alloys (Proprietary) Limited, the group's land and plant-owning company; The Southern Cross Steel Company (Proprietary) Limited which produces ferro-chrome, other ferro-alloys, stainless steel ingots, sheet and plate and Thos. Begbie and Company Limited, which undertakes foundry work, structural engineering and provides a heavy plant maintenance service to the mining and steel industries. The company's wholly-owned subsidiary, Palmiet Chrome Corporation (Proprietary) Limited produces ferro-chromium and other ferro-alloys.

#### Rheem South Africa (Proprietary) Limited

The share capital of the company is held by Rheem International Inc. and Anglo American Corporation of South Africa Limited with the controlling interest being held by Rheem International Inc.

The company manufactures steel containers under licence from the American parent company at factories near Durban, Natal and in Alberton, Transvaal.

#### Ropes and Mattings Holdings Limited

(formerly Ropes and Mattings Limited)

The company, through a number of subsidiary companies, manufactures a wide range of textile and cordage products.

A new manufacturing unit is to be established to produce flocked floor coverings with production starting early in 1972. It will entail the formation of a new company, Flotex S.A. (Proprietary) Limited with a capital of R1.5 million held 76 per cent by Ropes and Mattings Holdings Limited and the balance by Besnier-Flotex of France.

The unit will also be able to produce wall-coverings and coated fabrics for the upholstery, shoe and clothing industries.

Prior to its change of name, the company increased its share capital to R10 000 000 by the creation of a further 4 500 000 ordinary shares of R1 each: 2 752 000 of these shares were issued to Sagov Afcol Investment Trust Limited in exchange for 1 075 000 ordinary shares in Alexander Sagov (Holdings) Limited, 396 000 ordinary shares in Sagov Investment and Development Corporation Limited, 875 000 ordinary shares in Associated Furniture Companies Limited and 514 000 ordinary shares in Furncol Limited.

The company also acquired the entire issued share capital and shareholders' loan accounts of African Alltex (Proprietary) Limited in exchange for 772 946 ordinary shares of R1 each in the capital of the company. African Alltex is the holding company for a number of subsidiaries in South Africa which manufacture textile raw material for furniture and allied industries.

The company changed its financial year-end from 28th February to 30th June.

Features from the consolidated accounts for the sixteen month period to 30th June 1970:

Issued capital: R7 652 946 in ordinary shares of R1 each.

Share capital and reserves (consolidated):

R19 789 000.

	1970	1969
Book value of fixed assets (net) .....	R9 940 000	
Consolidated profit before taxation .....	R2 240 000	
Taxation .....	R644 000	
Consolidated profit after taxation attributable to holding company .....	R1 592 000	
Earnings per share (based on increased capital) .....	20.8c	
Dividends:		
Amount paid .....	R1 125 000	
Per share .....	17c	

#### **South African Board Mills Limited**

The company produces paperboard at factories at Umgeni, Springs and Bellville, and felt base paper at Umgeni. It operates a sugar mill at Melville in Natal. A substantial interest is held in Balatum S.A. (Proprietary) Limited.

Year ended 30th April 1970.

Issued capital: R4 937 500 in 9 075 000 ordinary shares of 50 cents each and 200 000 six per cent cumulative preference shares of R2 each.

Share capital and reserves (consolidated):

R13 150 834.

1970

1969

	1970	1969
Consolidated profit before taxation .....	R3 018 205	R2 274 420
Taxation .....	R1 206 367	R9 178 566
Consolidated profit after taxation and preference dividend .....	R1 787 838	R1 332 564
Earnings per ordinary share .....	19.6c	14.3c
Dividends:		
Ordinary:		
Amount paid .....	R726 000	R726 000
Per share .....	8c	8c

#### **Stewarts and Lloyds of South Africa Limited**

The company produces steel, copper and plastic tube, iron castings and irrigation equipment. It also designs and engineers spray irrigation and pumping schemes, and assembles diesel engines.

A new company, International Pipe and Steel Investments South Africa (Proprietary) Limited (IPSA) was formed on 22nd July 1970 to hold certain of the interests of the South African Iron and Steel Industrial Corporation Limited, Anglo American Corporation of South Africa Limited, African Gate Holdings, Metkor Investments Limited and the British Steel Corporation in:

(i) Dorman Long (Africa) Limited.

(ii) Vanderbijl Engineering Corporation Limited and (iii) Stewarts and Lloyds of South Africa Limited.

Stewarts and Lloyds also acquired the entire issued capitals of Baldwins Limited, H. Incledon & Company (South Africa) Limited and Tube and Pipe Industries (Proprietary) Limited. IPSA holds a 51 per cent interest in Stewarts and Lloyds of South Africa Limited.

In July 1970 the company also acquired the entire share capital of Crane-Glenfield (S.A.) (Proprietary) Limited, one of the largest manufacturers of valves in the country. This company changed its name in October 1970 to Vosa Valves (Proprietary) Limited.

On 1st November 1970 the company's copper tube interests were merged with those of Non-Ferrous Tube Company (Proprietary) Limited, a wholly-owned subsidiary of McKechnie Brothers South Africa (Proprietary) Limited to form a new jointly owned company, Maksal Tubes (Proprietary) Limited.

Period: 52 weeks ended 30th September 1970.

Issued capital: R600 000 in 300 000 six per cent first cumulative preference shares of R2 each and 22 510 000 shares of 50 cents each.

Share capital and reserves (consolidated):

R46 288 000.

Loan capital: R2 000 000.

	52 weeks to 30th September 1970	52 weeks to 27th September 1969
Book value of fixed assets .....	R15 655 000	R9 334 000
Book value of quoted investments .....	R26 000	R26 000
Market value of quoted investments .....	R18 000	R34 000
Net asset value per share .....	R2.03	R2.26
Consolidated trading profit before taxation .....	R5 162 000	R2 035 000
Taxation .....	R2 083 000	R905 000
Consolidated profit after taxation, deduction of minority shareholders' interest and preference dividend .....	R2 966 000	R1 087 000
Earnings per share .....	13.2c	8.0c
Dividends:		
Ordinary:		
Amount paid .....	R1 400 000	R1 125 000
Per share .....	8c	7½c

#### **The South African Breweries Limited**

The company changed its domicile from England to South Africa with effect from 26th May 1970.

The group operates breweries and hotels in the Republic of South Africa and in Rhodesia and has an interest in a brewery in Zambia. It is interested in the wine and spirit industry through its shareholding in Stellenbosch Wine Trust Limited, and through subsidiary and associated companies is interested in the production and marketing of a wide range of food products and beverages in South Africa and Rhodesia. Jointly with Thos. Barlow & Sons Limited, South African Breweries owns Ameshoff Street Investments (Proprietary) Limited, the holding company of Barsab Investment Trust Limited (BARSAB). BARSAB has a number of subsidiaries engaged in the manufacture of footwear and paints and in the distribution of aircraft in South Africa. It also has a substantial shareholding in South African Breweries and Thos. Barlow & Sons.

With effect from 1st September 1969 the company acquired a 38 per cent interest in Retco Limited, a property development company. Issued capital at 26th May 1970: R29 782 559.60 in 138 912 798 ordinary shares of 20 cents each and R2 000 000 6.2 per cent cumulative preference shares.

Year ended 31st March 1970.

Total share capital and reserves (consolidated):

R123 633 000.

1970

1969

Long-term liabilities:		
Registered unsecured notes .....	R8 000 000	R8 000 000
Convertible debenture stock .....	R3 037 000	R3 135 000
Other debentures and loans .....	R13 698 000	R4 066 000
	<u>R24 735 000</u>	<u>R15 201 000</u>

Book value of fixed assets .....	R140 933 000	R87 106 000
Operating surplus .....	R20 272 000	R15 223 000
Tax .....	R6 561 000	R5 071 000

Consolidated profit after tax, deduction of minority interests in subsidiaries and preference dividend .....	R11 820 000	R9 079 000
Dividends:		

    Ordinary:

Amount paid .....	R7 632 000	R5 773 000
Per share .....	5.50c	7.25c

#### **The Union Steel Corporation (of South Africa) Limited**

The company owns steel works at Vereeniging where it produces rolled, drawn, forged and cast steel products as well as copper and aluminium conductors and wire. Its subsidiary, Veldmaster (Proprietary) Limited, manufactures agricultural discs and parts.

In the course of the year a R12 million expansion programme was decided upon for the Vereeniging complex.

In partnership with Palabora Mining Company Limited, Transvaal Copper Rod Company Limited has been formed to convert molten copper supplied by Palabora into rod, which is sold in Southern Africa exclusively by Union Steel Corporation.

Union Steel has also formed National Materials Service Corporation (Proprietary) Limited, with Klöckner and Company, one of the largest German steel producers and merchandisers.

During the course of the year Usco Aluminium Corporation (Proprietary) Limited was formed, which will handle the company's projected R10 million aluminium plant at Richards Bay.

Year ended 31st December 1970.

Issued capital: R15 005 000 in 29 010 000 ordinary shares of 50 cents each, 125 000 preference 'A' shares of R2 each and 125 000 preference 'B' shares of R2 each.

Total share capital and reserves: R24 196 000.

1970	1969
------	------

Book value of fixed assets .....	R10 494 000	R11 472 000
Consolidated profit before tax .....	R4 352 000	R3 225 000
Tax .....	R1 747 000	R1 319 000
Consolidated profit after tax and preference dividend .....	R2 560 000	R1 866 000
Dividends:		

    Ordinary:

Amount paid .....	R1 305 000	R1 055 000
Per share .....	4½c	3½c

#### **Tiger Oats and National Milling Company Limited**

The company operates throughout South Africa through a number of wholly-owned subsidiary companies producing a wide variety of foodstuffs.

## Property interests

The Corporation has substantial interests in various property owning and property development companies in South Africa. Brief particulars are given below of the Corporation's major interests in this field.

The company has a wholly-owned subsidiary in Holland and subsidiaries and other interests in the United Kingdom.

*Year ended 30th June 1970.*

Issued capital: R11 610 575 in 10 860 575 ordinary shares of R1 each and 375 000 5½ per cent cumulative preference shares of R2 each.

	1970	1969
consolidated profit before tax .....	R5 715 000	R4 920 000
tax .....	R2 047 000	R1 814 000
consolidated profit after deduction of minority trading profits .....	R3 617 000	R3 020 000
dividends and dividends .....	354c	357c
asset value per share .....	35c	32c
units paid .....	R2 064 000	R1 772 000
share .....	19c	18c

*..... the 10 for 100 rights issue in October*

### Union Carriage and Wagon Company Limited

The company operates a factory at Nigel, Transvaal, and is engaged mainly in the production of railway rolling stock for sale to railway authorities and private operators in Southern Africa. The company recently completed a two million rand expansion programme at its 70-acre factory site at Nigel.

December 1970 the company was awarded a contract to manufacture and supply 100 electric locomotives for the South African Railways. This is one of the biggest single contracts ever awarded to a South African manufacturer of railway rolling stock. Sixty per cent of all electric locomotives in S.A.R. service were produced at the company's

In addition, the South African Railways has awarded the company a contract for the construction of three train sets of coaches for the luxury Blue Train service.

The company also supplies industrial diesel electric and diesel hydraulic locomotives.

### Anglo American Properties Limited

The company was formed in 1970 when City Developments Limited (C.D.L.), a quoted property development company, formerly managed by Union Acceptances Limited, merged with Anglo American Property Investments Limited (A.A.P.) an unquoted company which held the principal property interests of the Anglo American Corporation Group. The entire issued share capital of A.A.P. consisting of 18 345 000 ordinary shares of R1 each was acquired in exchange for 8 292 000 ordinary shares of 50 cents each, and 10 668 000 deferred ordinary shares of 50 cents each, issued by C.D.L. C.D.L. then changed its name to Anglo American Properties Limited (Amaprop) and is now administered by the Corporation. Amaprop will be the main vehicle for new commercial property investments undertaken by the Anglo American Corporation Group.

The company's initial portfolio has a net asset value of R52 million with a well diversified spread of investments both as to type and geographical location. The investments include a 20 per cent interest in Carlton Centre Limited, a 22 per cent interest in Creative Holdings Limited—which holds 90 per cent of the equity of Creative Homes Limited, a Cape Town-based township development company—and a 60 per cent interest in Muizenberg Marine Estates Limited, which is planning to develop the first major urban residential marina in Southern Africa.

In October 1970 the company issued R15 000 000 of 10 per cent debentures and the following is a summarised pro-forma statement of assets and liabilities based on the assets and liabilities of C.D.L. at 28th February 1970 and of A.A.P. at 31st July 1970 and published in a prospectus issued on 31st October 1970.

	R'000	R'000
Fixed assets at valuation:		
Land and buildings:		
Attributable to the company .....	32 505	
Attributable to minority shareholders .....	799	
	33 304	
Investments at valuation:		
Quoted debentures .....	893	
Unquoted shares .....	19 319	
Loans and debentures .....	3 475	
	23 687	

Township land and buildings at valuation:		
Attributable to the company .....	7 986	
Attributable to minority shareholders .....	5 646	
	13 632	
Township debtors .....		1 429
	72 052	

	R'000	R'000
Liabilities:		
Minority shareholders .....	5 803	
Redeemable first mortgage debentures .....	3 320	
First mortgage bonds .....	2 033	
Long-term unsecured loans .....	1 657	
Advances .....	4 940	
Other current liabilities and provisions .....	2 810	
	<u>20 563</u>	
<i>Less: Current assets .....</i>		<u>572</u>
		<u>19 991</u>
		<u>R52 061</u>

### Carlton Centre Limited

A property development company engaged in the construction of Carlton Centre in the central business district of Johannesburg. The project is the second largest commercial building development presently under construction in the world.

*Year ended 30th June 1970.*

Issued share capital: R10 000 000 in 20 000 000 ordinary shares of 50 cents each.

Loan capital as at 3rd April 1971: R34 000 000 8½% first mortgage convertible debentures 1979/1996 fully paid. R10 000 000 7½% second mortgage debentures 1977/2001 fully paid.

The Carlton Centre project, initiated jointly by the Anglo American Corporation Group (45 per cent), The South African Breweries Limited (45 per cent) and Barclays Bank D.C.O. (10 per cent), is estimated to cost approximately R75 000 000. When completed the complex will comprise a 50-storey office tower, a 30-storey international-class hotel, two large retail department stores, 200 other shops, an exhibition hall covering 5 650 square metres and parking facilities for 2 000 cars.

Carlton Centre holds all the issued share capital in Carlton Hotels Limited. An agreement has been entered into with Western International Hotels Company of Seattle who will be responsible for the management of the hotel for a 20-year period.

## Statutory and other information: subsidiary companies

### (a) Changes in the directorates of subsidiary companies.

	<i>Appointments</i>	<i>Resignations</i>		<i>Appointments</i>	<i>Resignations</i>
AFRICAN AND EUROPEAN INVESTMENT COMPANY LIMITED	Sir Albert Robinson 1.1.70 J. Ogilvie Thompson G. H. Waddell 16.1.70	Sir Keith Acutt 15.1.70	ANGLO AMERICAN (RHODESIAN SERVICES) LIMITED	C. C. W. Parke 25.8.70	G. A. Carey-Smith 25.8.70
ANGLO AMERICAN CORPORATION BOTSWANA LIMITED	D. J. Ritson 2.3.70	P. V. Harari 2.3.70	*ANGLUX LIMITED S.A.	E. P. Gush P. M. Odd J. Ogilvie Thompson 14.12.70	
ANGLO AMERICAN CORPORATION (AUSTRALIA) LIMITED	Sir Albert Robinson 27.1.70 D. J. Malan 23.2.70 B. S. Glassock 15.4.70 E. D. Little 8.5.70 C. D. M. Melville 28.9.70 J. S. Kerr 9.2.71	H. H. Taylor 27.1.70 D. W. Moss 23.2.70 D. J. Malan 15.4.70 B. S. Glassock 9.2.71	ANSELD HOLDINGS (PROPRIETARY) LIMITED	G. W. H. Relly 23.1.70	
ANGLO AMERICAN CORPORATION (CENTRAL AFRICA) LIMITED		M. S. McCrum 9.12.70	APPRAISED SECURITIES LIMITED	C. C. W. Parke 20.8.70	G. A. Carey-Smith 19.8.70
ANGLO AMERICAN CORPORATION SERVICES LIMITED	A. L. Thornton 18.9.70	G. A. Carey-Smith 18.9.70	BLUE SKIES (PRIVATE) LIMITED	B. E. Bullett 20.8.70	G. A. Carey-Smith 19.8.70
ANGLO AMERICAN CORPORATION PROSPECTING (AUSTRALIA) LIMITED	Sir Albert Robinson 27.1.70 D. J. Malan 23.2.70 B. S. Glassock 15.4.70 J. S. Kerr 9.2.71	H. H. Taylor 27.1.70 D. W. Moss 23.2.70 D. J. Malan 15.4.70 B. S. Glassock 9.2.71	CONSOLIDATED MINES HOLDINGS (RHODESIA) LIMITED	B. E. Bullett 20.8.70	G. A. Carey-Smith 19.8.70
ANGLO AMERICAN INTERNATIONAL (U.K.) LIMITED	W. S. Gallagher 1.10.70 P. C. D. Burnell Dr. Z. J. de Beer E. T. Pinkney R. V. Pritchard J. G. Richardson J. Ogilvie Thompson 10.11.70	H. MacConachie 30.9.70 Sir Keith Acutt Hon. H. A. V. Smith H. F. Oppenheimer 10.11.70	ENGELHARD HANOVIA, INC.	E. G. Beimfohr 12.3.70 H. R. Fraser 12.8.70	B. T. A. Hone 12.8.70
ANGLO AMERICAN INVESTMENT TRUST LIMITED (Incorporated in Bermuda)	N. B. Dill F. M. Ellis J. A. Ellison J. E. Pearman Sir Henry Tucker 2.4.70	N. B. Dill J. A. Ellison 4.9.70	EXCHANGE BUILDINGS (PROPRIETARY) LIMITED	Dr. Z. J. de Beer 26.3.70	M. C. Felling 25.3.70
ANGLO AMERICAN PROSPECTING COMPANY (SOUTH) LIMITED	W. D. Wilson 9.3.70 E. P. Gush 8.4.70 B. T. A. Hone Dr. H. J. Nel 8.12.70	P. V. Harari 7.4.70	HEADSTONE INVESTMENTS LIMITED	R. P. Edey 12.1.71	P. J. L. Crokaert 11.1.71
ANGLO AMERICAN PROSPECTING COMPANY LIMITED	W. D. Wilson 16.1.70 R. A. A. Gower 8.4.70 W. S. Gallagher 9.10.70 B. T. A. Hone 8.12.70	P. V. Harari 7.4.70 H. MacConachie 8.10.70	HEROSERV A.G.	Sir Rupert Bromley E. P. Gush 25.3.70	
			H.D. DEVELOPMENT LIMITED	H. R. Fraser 15.12.70	B. T. A. Hone 15.12.70
			NEW RHODESIA INVESTMENTS LIMITED	B. E. Bullett 20.8.70	G. A. Carey-Smith 19.8.70
			SOUTH AFRICAN MINES SELECTION LIMITED	G. C. Fletcher Sir Albert Robinson 21.1.71	Sir Keith Acutt 20.1.70
			WESTANDER PROPERTIES (PROPRIETARY) LIMITED	Dr. Z. J. de Beer 26.3.70	M. C. Felling 25.3.70

\*New subsidiary

### (b) General

A special resolution was passed by members of Anglo American Corporation (Australia) Limited at an extraordinary general meeting held on 25th September 1970 increasing from five to six the maximum number of directors permissible in terms of the company's articles of association.

At an extraordinary general meeting of Anglo American Corporation Prospecting (Australia) Limited, held on 25th June 1970, the authorised capital of the company was increased by \$A200 000 to \$A700 000. The authorised capital was further increased by \$A550 000 to \$A1 250 000 at an extraordinary general meeting of members of the company held on 18th September 1970. In both instances this was done by ordinary resolution.

At a special general meeting of members of Anglo American Investment Trust Limited (Incorporated in Bermuda) held on 7th May 1970 a special resolution was passed increasing the capital of the company from £5 000 to £17 000 by the authorisation of a further 12 000 ordinary shares of £1 each.

The authorised capital of Egret Investments Limited was increased at an extraordinary general meeting of members held on 4th September 1970 from R2 000 to R4 000 by the creation of 4 000 new shares of 50 cents each which were placed under the control of the directors.

## Statutory and other information: subsidiary companies

At an extraordinary general meeting of the members of H.D. Development Limited held on 29th September 1970 a special resolution was passed whereby the authorised capital of the company was increased from U.S.\$25 414 545 to U.S.\$25 444 730 by the creation of 30 185 shares of \$1 each.

At an extraordinary general meeting of L.S. Properties (Proprietary) Limited held on 9th January 1970 the authorised capital was increased from R50 000 to R100 000 by the creation of 25 000 new shares of R2 each. In terms of another special resolution passed on 4th September 1970 the company's authorised capital was further increased to R200 000 by the creation of 50 000 new shares of R2 each. In both instances the new shares were placed under the control of the directors of the company.

In terms of a special resolution passed on 3rd July 1970, the authorised capital of Rhocar Holdings Limited was increased from R25 000 to R50 000 by the creation of 25 000 new shares of R1 each. The new shares were placed under the control of the directors of the company.

Aandeelhouers wat hierdie verslag in Afrikaans verlang, word versoek om in verbinding te tree met:

CONSOLIDATED SHARE REGISTRARS LIMITED,  
MARSHALLSTRAAT 62,  
JOHANNESBURG  
(POSBUS 61051, MARSHALLTOWN, TRANSVAAL)

Members of the Corporation who wish to receive copies of the annual reports and accounts of quoted companies associated with the Corporation may obtain them upon application to the Managing Secretary or to the Joint London Secretaries of the Corporation. Changes of address should be notified to the Corporation's transfer secretaries:

CONSOLIDATED SHARE REGISTRARS LIMITED  
62, MARSHALL STREET, JOHANNESBURG  
(P.O. BOX 61051, MARSHALLTOWN, TRANSVAAL)  
OR  
CHARTER CONSOLIDATED LIMITED  
KENT HOUSE  
STATION ROAD, ASHFORD  
KENT, ENGLAND

A circular metal component, possibly a lock washer or a lock nut, is centered in the frame. It has a central hole and three distinct slots around its perimeter. The word "AAC" is embossed in large letters at the top right. Along the outer edge, the words "MASS" and "NATIONAL" are embossed in a curved pattern. At the very bottom, the letters "AS-2A" are embossed.